ANNUAL INFORMATION FORM

BANYAN GOLD CORP.

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For the year ended September 30, 2013

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PRELIMINARY NOTES

In this Annual Information Form ("AIF"), Banyan Gold Corp. is referred to as the "Corporation", "Company", "Issuer" or "Banyan". All Information contained herein is as and for the year ended September 30, 2013, unless otherwise specified. All dollar amounts in the AIF are expressed in Canadian dollars unless otherwise indicated.

Cautionary Statement Regarding Forward - Looking Statements

This AIF contains certain statements which are forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "proposed", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved.

Forward-looking information in this Annual Information Form includes, but is not limited to:

- information with respect to future financial and operating performance;
- our management's skill and knowledge with respect to the exploration and development of mining properties in the Yukon, and the relevance of that skill and knowledge to the Property;
- our plan to pursue the exploration of the Hyland Gold Property;
- our ability to successfully obtain any necessary environmental licenses;
- future exploration and development activities, and the costs and timing of those activities;
- timing and receipt of approvals, consents and permits under applicable legislation;
- our assessment of potential environmental liabilities;
- results of future exploration and drilling;
- estimation of metallurgical response of ores to processing methods;
- metals prices;
- adequacy of financial resources;
- forward-looking information attributed to third party industry sources; and
- statements related to our expected executive compensation.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be

incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, the timely receipt of required approvals, the price of metals, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to the properties; risks of foreign operations; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Issuer or the Issuer. See "Risk Factors".

Forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Annual Information Form. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

Qualified Person under NI 43-101

Except where specifically indicated otherwise, the disclosure in this AIF of scientific and technical information regarding exploration projects on Banyan's mineral properties has been reviewed and approved by Paul D. Gray, B.Sc, P.Geo, Vice President, Exploration, a Qualified Person as defined by NI 43-101.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain technical terms used in this Annual Information Form with respect to the Property.

"Ag"	Means silver.
"airborne"	Means a survey made from an aircraft to obtain photographs, or measure magnetic properties, radioactivity, electromagnetic, etc.
"alteration"	Means any change in the mineralogical composition of a rock that is brought about by physical or chemical means.
"anomaly"	Means having a geochemical or geophysical character which deviates from regularity; in the case of gold, it refers to abnormally high gold content (i.e., 70.5 g per tonne); any deviation from conformity or regularity; a distinctive local feature in a geophysical, geological, or geochemical survey over a larger area; an area or a restricted portion of a geophysical survey, such as a magnetic survey or a gravity survey, that differs from the rest of the survey in general.
"assay"	Means in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.
"Au"	Means gold.
"background"	Means traces of elements found in sediments, soils, and plant material that are unrelated to any mineralization and which come from the weathering of the natural constituents of the rocks.
"breccia"	Means rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.
"claim"	Means a portion of land held either by a prospector or a mining company.
"Deposit"	Means a mass of naturally mineral material, proven by drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.
"diamond drill"	Means a type of rotary drill in which the drilling is done by abrasion using diamonds embedded in a matrix rather than by percussion. The drill cuts a core of rock which is recovered in long cylindrical sections.
"dip"	Means geological measurement of the angle of maximum slope of planar

	elements in rocks. Can be applied to beddings, jointing, fault planes, etc.
"drill core"	Means a solid, cylindrical sample of rock produced by an annular drill bit, generally rotatively driven but sometimes by percussive methods.
"fault"	Means a fracture in a rock along which there has been relative movement between the two sides either vertically or horizontally; a break in the continuity of a body of rock.
"geophysical survey"	Means the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarization and other techniques, and geophysical surveys can be undertaken from the ground or from the air.
"grade"	Means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals, as percent (%) for copper, lead, zinc and nickel.
"Host"	Means a rock or mineral that is older than rocks or minerals introduced into it.
"Intrusion"	Means the process of emplacement of magma in a pre-existing rock. Also, the igneous rock mass so formed.
"IP"	Means induced polarization method.
"m"	Means meters (3.28 feet).
"mineral claim"	Means a legal entitlement to minerals in a certain defined area of ground.
"Mineral resource"	Means the estimated quantity and grade of mineralization that is of potential merit. A resource estimate does not require specific mining, metallurgical, environmental, price or cost data, but the nature and continuity of mineralization must be understood to a specific degree of knowledge.
"Mineralization"	Means the concentration of metals and their chemical compounds within a body of rock; the process or processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit.
"ore"	Means a natural aggregate of one or more minerals which may be mined and sold at a profit, or from which some part may be profitably separated.
"outcrop"	Means an exposure of rock at the earth's surface.
"ppb"	Means parts per billion.
"ppm" or "parts per million"	Means a unit of measurement which is 1000 times larger than ppb (I ppm = 1000 ppb).

"pyrite"	Means a sulphide mineral of iron, FeS2.
"reserves"	Means a natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated:
"sample"	Means small amount of material that is supposed to be absolutely typical or representative of the object being sampled
"sedimentary"	Means a rock formed from cemented or compacted sediments.
"strike"	Means direction or trend of a geologic structure; the course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the dip.
"vein"	Means a thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.

CORPORATE STRUCTURE

Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Corporations Act (“ABCA”) on July 26, 2010 under the name Banyan Coast Capital Corp, which was subsequently changed to "Banyan Gold Corp." under a certificate of amendment on February 14, 2013. The Issuer's head office is located at 166 Cougarstone Crescent SW, Calgary, Alberta, T3H 4Z5 and maintains an exploration office at Suite 584 - Bentall #4, 1055 Dunsmuir Street, PO Box 49215, Vancouver, BC V7X 1K8 . The Issuer's registered office is 1500 Bankers' Court, 850 2nd St SW, Calgary, Alberta, T2P 0R8.

The Issuer has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three year History and Significant Acquisitions

Following Banyan's incorporation on July 26, 2010, the Company filed a final prospectus on November 23, 2010 in the provinces of British Columbia, Alberta, Saskatchewan and Ontario to issue 2,000,000 common shares at a price of $0.15 per share (the “Prospectus”). On November 24, 2010, the Company received final receipts for a prospectus and became a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

Banyan successfully completed its initial public offering raising gross proceeds of $300,000 on January 25, 2011. A total of two million common shares in the capital of the corporation were subscribed for at a price of 15 cents per share.

Banyan commenced trading on January 27, 2011 on the TSX Venture Exchange as a Capital Pool Company.

On August 31, 2012, the Company entered into a Letter of Intent (the “LOI”) with Argus Metals Corp.

("Argus") to acquire a 100% interest in Hyland Gold Property (the "Hyland Property") in the Watson Lake Mining District of the south eastern Yukon Territory, Canada.

On October 4, 2012, the LOI with Argus was upgraded to a Definite Assignment and Transfer Agreement ("Definite Agreement"). The Acquisition was considered an Arm's Length Qualifying Transaction as the Vendor did not have a relationship to the Issuer or its Affiliates and Associates.

At Closing, the Issuer would acquire all of the Vendor's right, title and interest in and to the Property and the Interests pursuant to the Assignment and Transfer Agreement, and in consideration for the Property and the Interests, the Issuer agreed to the following:

(a) payment of $15,000 in cash (paid upon execution of the Letter of Intent);

(b) payment of $20,000 in cash at Closing; and

(c) delivery of 4,000,000 Banyan Shares at Closing.

The Issuer has also agreed to assume Argus's obligations under the Underlying Option Agreement. Specifically under such Underlying Option Agreement, the Issuer is obligated to pay $100,000 and deliver 300,000 Argus common shares to Stratagold Corporation on or prior to the earlier of February 15, 2013 or fifteen days following Closing. In addition, the Vendor will be bound, in respect of the Option Claims and the AMI Claims, by a 2.5% capped net smelter return royalty ("NSR") in favour of Victoria Gold Corp., less existing underlying royalties, with a provisional buyback of 1.5% for $1,000,000. These claims are also subject to a 1% and 0.25% NSR on all core claims payable to Cash Minerals Ltd. and Strategic Metals Ltd., respectively. Additionally, there is a 1% NSR on 88 of the claims payable to Adrian Resources Ltd. that is capped at $1.5 million.

On February 15, 2013, the definite agreement was completed with the issuance of 4,000,000 Banyan shares to Argus in conjunction with a non brokered private placement of 5,000,000 Units at $0.10 per unit to complete the Company's qualifying Transaction under the rules of the TSX Venture Exchange. The "Units" under the financing consisted of one share and one half of a share purchase warrant exercisable at $0.15 per full warrant for a period of 12 months from closing.

On March 1st, 2013 the Company completed a non brokered private placement of 2,000,000 Units at $0.10 per unit. The "Units" under the private placement consisted of one share and one half of a share purchase warrant exercisable at $0.15 per full warrant for a period of 12 months from closing.

The final deliverance of Argus shares was renegotiated to be 150,000 Banyan shares and issued to Victoria Gold Corp., the parent Company of Stratagold Corporation on August 23, 2013.

DESCRIPTION OF THE BUSINESS

The Corporation is engaged in the business of exploration and development of precious metals. The Corporation owns a 100% interest in the Hyland Gold Property ("Property") in the Yukon Territory. The Property contains a Main Zone NI 43-101 Compliant Resource of 361,692 oz gold (12,503,994 tonnes of 0.90 g/t Au) and 2,248,948 oz silver (12,503,994 tonnes of 5.59 g/t Ag).

Description of the Hyland Gold Property

The Technical information contained herein for the Hyland Gold Property acquired from Argus Metals is

based on information contained in the technical report entitled “Technical Report on the Hyland Gold Property in the Yukon Territory, Canada” prepared for Banyan Gold by Allan Armitage Ph.D., P.Geol., (“Armitage”) of GeoVector Management Inc. (“GeoVector”), and Paul D Gray, B.Sc., P. Geo of Paul D.Gray Geological Consulting as an independent National Instrument 43-101 ("NI 43-101") Technical Report filed with the Toronto Stock Exchange (TSX) Venture Exchange in connection with Banyan’s listing on the TSX Venture Exchange.

The 2012 Technical Report is available for review at the Company’s profile on SEDAR at www.sedar.com.

Location and Property Description

The Hyland Gold Project is located in the Watson Lake Mining District of southeast Yukon, approximately 74 kilometres northeast of the town of Watson Lake. The Hyland Gold Project consists of 927 claims totaling over 18,620 hectares and contains two areas of noteworthy gold mineralization, the Main Zone and the CUZ Zone. Banyan has earned a 100% interest in all properties subject to various NSR agreements with an aggregate royalty of 2.5% subject to a maximum buy back of 1.5%.

The Hyland Gold Project and immediate area has undergone sporadic mineral exploration since the 1950’s for gold and silver, the most substantive work was conducted by the Hyland Joint Venture (Marietta Resources International Limited, Mitsubishi Metal Corporation and Messrs. Landon T. Clay and Harris Clay), Archer Cathro & Associates (1981) for Kidd Creek Mines, Nordac Resources Ltd. (now Strategic Metals Ltd.), Hyland Gold Joint Venture (HGJV(1)) was formed by Silverquest Resources Ltd., Novamin Resources Inc./ Adrian Resources Ltd. and NDU Resources Ltd., Hemlo Gold Mines Inc., and Westmin Minerals Limited (now Boliden Westmin (Canada) Limited) and StrataGold Limited (“Strata”) in the 1980s-1990s. Argus was involved with the Project from 2010 through 2012 and concentrated on reevaluating the historic work and defined a larger Main Zone Resource as well as defining Property wide gold mineralization. Exploration work conducted to date by all workers has included prospecting, trenching, soil sampling, geophysics and diamond drilling. This work has resulted in the discovery of the north trending Main Zone deposit and the east-west trending CUZ Zone mineralization containing prominent gold-silver mineralization.

The Main Zone lies at the top of a small hill upon a north trending ridge located north-central on the Property. Weathering and consequent oxidation of sulphide minerals extends to depths of 60 m from surface at the top of the hill while glaciation has removed most of the oxidized profile at lower elevations. Best assays in the oxide zone are returned from samples of grey, scorodite-stained quartz veins with abundant boxwork after sulphide minerals. Moderately mineralized intervals occur within brecciated, silica-altered brittle quartzite intervals adjacent to the higher grade vein mineralization.

The Main Zone at the Hyland Project has been calculated to host a gold inferred resource, at a 0.6 g/t gold equivalent (“AuEq”) at 12,503,994 tonnes containing 361,692 ounces gold at 0.9 g/t and 2,248,948 ounces silver at 5.59 g/t.

NI 43-101 Main Zone Inferred Resource Estimates at 0.6 g/t AuEq* cutoff are presented in Table 1.

Table 1 Hyland Gold Project 2011 Resource Estimates

AuEq Cut-off	Tonnes	Grade	Ozs	Ag g/t	Ag Ozs	AuEq g/t	AuEq Ozs
0.4 g/t	16,820,094	**0.79**	425,424	**4.84**	2,619,911	**0.86**	465,946
0.5 g/t	14,734,230	**0.84**	397,785	**5.18**	2,453,560	**0.92**	435,738
0.6 g/t	**12,503,994**	**0.90**	**361,692**	**5.59**	**2,248,948**	**0.99**	**396,468**
0.7 g/t	9,678,679	**0.99**	307,098	**6.39**	1,988,733	**1.09**	337,824
0.8 g/t	7,038,666	**1.10**	248,349	**7.31**	1,654,686	**1.21**	273,942

** "Gold equivalent" or "AuEq" is based on silver metal content valued at 0.016 gold value using a $1016 US Au price and a $15.82US Ag price, which approximates the average prices for these metals over the last three years*

The results of diamond drilling to date show that the Main Zone mineralization defined from the above resource model is open for expansion to the North and East and to depth. The CUZ Zone mineralization has demonstrated continuity over 800m on a West-Northwest trend and is open on strike and to depth. With further drilling there is potential to expand on the resource at the Main Zone and define a maiden resource at the CUZ Zone. A two phase $2 million diamond drilling program, comprising approximately 5,000 metres of drilling and expansion of the systematic geochemical surveys, combined with continued baseline environmental studies, community consultation, is recommended for the Hyland Gold Project.

Access, Climate Change, Local Resources and Infrastructure

The property is accessible by float plane from Watson Lake to Hulse Lake, (also known as Quartz Lake) or by helicopter from Watson Lake. A 40 km long winter trail built in 1989 provides access to the property from the Coal River Road 35 km from Contact Creek at km 1,006 on the Alaska Highway. Both the Coal River Road and the winter road to the property are passable by 4x4 vehicles for most of the year except for a swampy section between kilometres 1 and 3 on the winter road. The winter trail connects to a network of drill roads over the main zone that leads down into the exploration camp on Hulse Lake. The Winter Road to the Hyland Property was upgraded and reopened by Argus Metals in 2011, and utilized to support summer 2011 exploration activities

A 35 man exploration camp is located on the south shore of Hulse Lake and consisting of three, four man cabins and six, 4 man tent platforms. A Dry and Kitchen/dining facilities were constructed in 2011. Two storage sheds, a geology shack, a dedicated first aid building and core logging and cutting facilities complete the buildings on site. A compositing toilet and 16 kVA 220/110V generator round out physical

infrastructure in the camp. The Camp can be brought up to a full operational status with a 4 man team in 3 days in plus zero weather conditions.

The property covers moderately rugged terrain with elevations that range from 920 m on the shores of Hulse Lake to 1,830 m at the highest peak on the property. Treeline starts at approximately 1,450 m where alpine brush and vegetation give way to a mix of black spruce, alder, willow, pine, white spruce and moss depending on the moisture content and aspect of the slope. Subcrop is abundant above treeline with some outcrop below treeline however bedrock exposure is limited to small cliffs and creek cuts. The area underwent glaciation during the Pleistocene with ice movement from the north to the south. Till has been eroded from most steep north facing slopes but south and west facing hillsides display varying thicknesses of glacial debris. A prominent terrace of glaciofluvial material wraps around the hillsides at about 1,065 m elevation in the northern half of the property.

The Hyland property is subject to a continental climate with long cold winters and warm dry summers. The average annual precipitation on the property is about 450 mm occurring mostly as rain in the warmer months. In the winter, the snowpack rarely exceeds 1 m in depth. Permafrost occurs irregularly across north facing slopes. The lakes are typically ice free and available to float planes by June and begin to freeze in early November.

The surface rights are held by the Yukon government and any mining operation requires regulatory approval. There is no government grid supplied electrical power available. Water is available from small lakes and streams on the property. There are ample areas suitable for plant sites, tailings storage, and waste disposal areas.

History

Mineral Exploration in the area of the Hyland property was first spurred on in the late 1800's by the discovery of the Macmillan zinc-lead-silver deposit located 5 km west of the Hyland property. Since that time, the original 299 mineral claim package has been explored intermittently by several operators either simultaneously or sequentially. The area was first staked as the SN claims by Liard River Mining in 1954. The focus of their exploration was base metal mineralization similar to the nearby Macmillan deposit and to that end they employed a mix of geological mapping, hand trenching, soil sampling, an EM survey and diamond drilling (4 diamond drill holes). Results were not encouraging and the potential for gold mineralization was not investigated at the time thus the claims were allowed to lapse in 1955.

In July of 1973 the *Hyland Joint Venture,* composed of Marietta Resources International Ltd., Mitsubishi Metals Corp. and Messrs. Landon T. Clay and Harris Clay, re-staked a lead-zinc target near the Main Zone as the Porker 1-56 claims. Work completed by the joint venture over a three year period and ending in 1975 included prospecting, geological mapping, grid soil sampling, gravity surveys and diamond drilling (303 m in four drill holes). Results of this work outlined widespread arsenic anomalies with several high gold values. No further work was undertaken after 1976 and the claims were allowed to lapse in 1984.

In 1981, shortly before the Porker claims were set to expire, exploration in the area was beginning to focus on potential gold mineralization. Gold exploration on the property began in earnest with the

staking of the Cuz and Quiver claims by Archer Cathro and Associates ("AC") on behalf of Kidd Creek Mines. These claims were staked to cover the gold-arsenic anomalies identified by the *Hyland Joint Venture* located south and east of the Porker claims. Kidd Creek Mines Inc. ("Kidd Creek") contracted AC to perform geological mapping and grid soil sampling the following year that defined a 450 m long Au-As-Bi geochemical anomaly on the Cuz property and scattered, weakly to moderately anomalous Au values on the quiver claims. No further work was done on the properties until Kidd Creek performed follow-up prospecting and rock sampling on the Cuz property in 1985. When a source for the anomalous gold-arsenic-bismuth geochemistry could not be located claim ownership was transferred to AC who had re-staked the expired Porker claims the previous year as the Piglet 1-32 claim group.

In 1986 AC acquired the Quiver claims north of the Piglet block and sold the entire property comprised of 88 claims to Silverquest Resources Ltd. ("Silverquest") who performed prospecting, soil sampling and hand trenching that same year. The following year the Hyland Gold Joint Venire (HGJV1), comprised of Silverquest, Novamin Resources Ltd. ("Novamin") and NDU Resources Ltd. ("NDU") carried out a program of soil geochemistry, bulldozer trenching and road construction. Novamin withdrew from the partnership in 1988 and was replaced by Adrian Resources Ltd. ("Adrian") as a joint venture partner. That year soil sampling and several ground geophysical surveys including magnetic, IP and EM were conducted with concurrent bulldozer trenching, diamond drilling (376 m in four holes) and road construction. The road construction continued into the early winter of 1989 culminating with the completion of a 40 km long winter road from the property to the Coal River Road. The winter road facilitated the mobilization of an RC drill rig in 1990 and completion of 3,656 m of RC drilling in 41 holes.

Trenching

All mechanized trenching on the property was carried out over the Main Zone in 1988 by E. Caron Diamond Drilling Ltd. of Whitehorse with a ripper-equipped Caterpillar D7E bulldozer. A total of 2,760 m of bedrock was exposed in 16 trenches, and 1,515 m of overburden was stripped from trenches that did not reach bedrock. Bulldozer trenches were cut across the Main Anomaly at approximately 100 m intervals over a 2,000 m strike length and across a few of the secondary anomalies.

All trenches that reached bedrock were continuously chip sampled along their floor or lower ribs. Samples were taken over 5 to 10 m intervals from all potentially mineralized exposures, except in particularly interesting areas where the intervals were shortened as required. Four hundred and thirty, 5 to 10 kg samples were collected and sent to Chemex Labs Ltd. (now ALS –Chemex Laboratories Ltd.) where they were dried, crushed, ring pulverized, screened to -140 mesh and homogenized before a one assay ton split was taken and fire assayed for gold using a gravimetric finish. In addition to the rocks, 170 soil samples were collected along the bottom of trenches that did not reach bedrock in order to compare the geochemical response deep in the soil profile to that at surface. They were also sent to Chemex and analyzed for gold by the same geochemical technique outlined above for the 1986 surveys.

It should be noted that even within the Main Zone, many of the trenches did not reach bedrock along their entire lengths. Trenches cut through the Main Zone outlined a mineralized fault breccia complex

approximately 1,000 m long by 200 m wide. The best trench exposure chip samples averaged 4.87 g/t gold over 30 m including 6.55 g/t over 20 m from trench P-36 near the centre of the complex. This particular interval coincides with a north – trending fault and consists of moderately graphitic gouge. True thickness of these mineralized intervals is difficult to determine as the sampling is across the core of an interepreted antiform and true thickness could vary from sample to sample.

Farther west in the same trench, seventeen chip samples taken over an 88 m width returned a weighted average of 0.81 g/t Au from an area cut by three large faults. To the east where overburden tended to be deeper, three chip samples averaged 1.84 g/t Au over 16 m.

Hemlo Gold Mines Inc. ("Hemlo") optioned the property from Cash Resources Ltd. ("Cash"; a restructured and renamed Silverquest) in 1994 and in 1995 completed a geological mapping program followed by diamond drilling program of 439 m in three holes. The option expired without Hemlo earning an interest in the property. In 1998 Cash purchased United Keno Hill Mines interest in the property (having previously merged with NDU) and in 1999 further consolidated ownership of the Hyland Gold Property by purchasing Adrian's portion.

In 1994, contemporaneous to Hemlo's deal with Cash, Westmin Resources Ltd. ("Westmin") became active in the area by staking 416 claims surrounding the Main and Cuz zones. Work by Westmin that year included an airborne geophysical survey, detailed geological mapping and soil sampling. Further airborne geophysical surveys (flown by Newmont for Westmin) and soil sampling was completed in 1995 that led to the staking of an additional 84 claims. The final exploration program completed by Westmin included geological mapping, rock sampling, reconnaissance soil sampling and power auger soil sampling. Expatriate Resources Ltd. ("Expatriate") purchased Westmins interest in the spring of 1999 and conducted a small prospecting and sampling program that summer. (Tucker et al. 2003).

In March of 2000 a third joint venture was created to explore the Hyland Gold property with the following interests 55% Cash Minerals Ltd. (formerly Cash Resources), 31% Expatriate and 14% Strategic Metals. The following year the joint venture conducted a small exploration program consisting of re-mapping the bulldozer trenches, hand trenching and sampling of the geochemical anomalies identified by Westmin. By the end of January 2003 Expatriate had acquired 100% interest in the Hyland Gold Property and sold it in its entirety to Stratagold.

In 2003 Stratagold completed a program of diamond drilling totalling 2416 m in 12 holes. The focus of the drilling was to intersect auriferous sulphides below the extensively explored oxide zone. Nine of the twelve holes encountered significant gold mineralization with the best results encountered in hole HY-03-002 returning 53.11 m of 1.38 g/t Au including 5.54 m of 4.24 g/t Au. In 2004 Stratagold completed 15.72 line kilometres of IP/Res surveying divided into six east-west trending lines over the main zone. Results of the geophysical survey were followed up with 1800 m of diamond drilling in eight holes. Five of the holes drilled in 2004 intersected significant gold mineralization however the tenor of mineralization was lower grade than encountered the previous year with the best results encountered in hole HY-04-13 that returned 31.76 m of 0.633 g/t Au from a depth of 186.46 m. In 2005 Stratagold

drilled four diamond drill holes for a total of 985 m focused on discovering new gold mineralization east of the Main zone and at the Cuz anomaly.

Geochemistry

The Hyland Main Zone area has been covered by numerous soil and stream geochemical surveys from 1973 to 2005. Data presented here is compiled through the 2011 sampling programs. All detailed soil sampling of the Main Zone was performed before there were any surface disturbances from road building, trenching or drilling. A brief history of the different surveys over the Main Zone follows.

The entire area of the original "Hyland Gold" core claims was sampled prior to 1986 by several generations of wide-spaced soil geochemical surveys. Arsenic analyses were carried out on soil samples collected in 1973-1975 from the -80 mesh fraction digested in nitric-perchloric acid and analyzed by Atomic Absorption Spectrometry (AAS). These samples were collected at wide-spaced grid intervals (60 by 245 m or 200 by 800 feet) and from regional-scale soil and stream sediment traverses across the entire property. Splits from these samples were reanalyzed for gold by Fire Assay preconcentration for Neutron Activation Analysis (FA-NAA) during the spring of 1984. Soil sampling on the Quiver claims was carried out in 1982 at 30 m intervals along and in between the old 800 foot cut lines. These were analyzed for gold by FA-NAA on the –35 mesh fraction of the samples. Sample splits were later re-analyzed for arsenic, bismuth, lead, copper, tungsten and manganese by ICP (Induced Coupled Plasma) technique and for antimony using standard AAS techniques.

Soil samples collected on the Piglet claims in 1984 were screened to –35 mesh and pulverized to better than -100 mesh and analyzed by FA-NAA for gold. This procedure was used to minimize the anticipated effects of silica encapsulation of micro-sized gold in very fine detrital material. Rock samples were crushed and pulverized to better than -100 mesh and analyzed by the same method.

Detailed soil sampling carried out in 1986 covered a 3.3 km2 area. Two thousand one hundred soil samples were collected at 30 m intervals on 60 m line spacings. Soil samples were screened to -35 mesh, pulverized to better than -100 mesh and analyzed for gold by FA-NAA. Every second sample also underwent a 30 element analysis by the ICP technique. All analyses from 1975 to 1986 were performed by Chemex Labs Ltd., North Vancouver, B.C. (now ALS – Chemex Laboratories Ltd.)

Results of geochemical surveys carried out in previous years on the Hyland Gold property have defined a 2 km long, northerly-trending zone (Main Anomaly) of strongly anomalous gold values, with coincident highly anomalous arsenic and bismuth soil geochemical response. This anomaly continues 1.2 km to the south east (Southeast Anomaly) with similar gold values but only weakly to moderately anomalous arsenic values. A broad zone of moderately anomalous gold and weakly anomalous arsenic spans the east part of the Main Zone (East Anomaly). Geochemical background, threshold and maximum values for important chemical elements in the Hyland mineralizing system are tabulated below (Table 2).

Note, geochemical patterns and associations between bismuth, antimony, silver, lead, zinc, and manganese rely on observations made from historical data in map and report form not included in this document.

Table 2 Background and threshold values for important geochemical elements in the Hyland property mineralizing system.

Element		Background		Threshold		Maximum
Gold		5 ppb		25 ppb		1950 ppb
Arsenic		50 ppm		200 ppm		>1%
Bismuth		<2 ppm		4 ppm		546 ppm
Copper		15 ppm		50 ppm		309 ppm
Lead		35 ppm		50 ppm		380 ppm
Zinc		50 ppm		100 ppm		600 ppm
Barium		150 ppm		300 ppm		1160 ppm
Antimony		<10 ppm		10 ppm		310 ppm
Manganese		200 ppm		600 ppm		>1%

Main Anomaly

Gold values in soils range from a threshold value of 25 to a maximum of 1,950 ppb. Arsenic values exceed 1% from a threshold of 200 ppm and bismuth values range up to 546 ppm with a threshold value of 4 ppm. The anomalous zone is terminated on the north by an area of deep glacial overburden. Bismuth anomalies closely follow gold anomalies with the strongest and most continuous values occurring along the Quartz Lake Lineament. Arsenic response follows the same trends as gold and bismuth, although the anomalies tend to be more widespread.

Antimony values are generally less than the 10 ppm lower detection limit of the ICP analytical technique used. Anomalous values (>10 ppm) cluster in isolated patches along the length of the Main anomaly with peak values to 310 ppm Sb. Silver response is weak and erratic with only localized anomalies present with individual values reaching 32.4 ppm Ag. Lead, zinc and manganese show a good inter-correlation with anomalous values clustering west of, and peripheral to, the elongate gold-bismuth-arsenic-antimony-silver Main anomaly. This pattern in the soil geochemistry is evidence of metal zoning from precious metal core to base metal periphery.

Southeast Anomaly

The Southeast Anomaly was not completely delineated by the 1986 grid sampling program. Gold and bismuth outline a 1.2 km long, 300 m wide southeast trending anomalous zone that is not associated with any obvious topographic feature but closely matches a northwest - southeast feature evident in the Newmont airborne magnetics survey. Arsenic values in soils from the Southeast Anomaly are not as strong as those from the northern part of the anomalous trend. Peak values in soils along the South Anomaly exceed 100 ppb Au, 250 ppm As and 10 ppm Bi.

Antimony values are generally less than the 10 ppm lower analytical limit of the ICP analytical technique used. Scattered clusters of soil samples containing 10 ppm Sb are associated with the broader gold-

bismuth anomaly although no strongly anomalous values were detected. Silver response is generally low with large areas of weakly anomalous values to 20 ppm Ag. Lead, zinc and manganese response varies from threshold to moderately anomalous values. Unlike the North Anomaly, however, the distribution of lead, zinc and manganese anomalies generally follows that of the gold-bismuth-arsenic suite.

East Anomaly

The East Anomaly was not re-sampled during the 1986 survey so sample density is lower in this area and consequently the data was not contoured. Broad, discontinuous areas of moderate gold, arsenic, lead, zinc and manganese response resulting from the 1982 sampling program are not related to any known geological feature. Broad areas exceed the 25 ppb Au threshold with several spot values above 100 ppb Au.

Effective soil sampling in the Main Zone area is hampered by pockets of deep overburden in north – south trending gullies immediately east of the Main Anomaly and a thick glaciofluvial terrace that flanks the topographic high that the Main Zone soil anomalies are located on. To test for extensions of the Main Anomaly to the north, south and east would require power auger sampling to penetrate this cover. Similarly, increasing overburden depth on the East anomaly may, in part, be responsible for the decreased magnitude of the geochemical signature and power auger sampling would be an effective tool to test this.

The location of the Main Anomaly closely follows the main axis of the anticline along the Quartz Lake Lineament and is closely associated with the Lower Phyllite unit exposed in the core of this structure. Outcrop in the East Anomaly area is very sparse, and it is possible that the anomaly signature is lower in this area due to stratigraphic position within less favourable host rocks.

Similarly, testing the southern extension of the Main and Southeast Anomalies may be complicated by changes in stratigraphic position. Mapping suggests that as topography descends to the south, Lower Limestone units are exposed. It is well understood that these units form barriers to hydrothermal fluids in the Hyland system, but that significant mineralization in phyllites or quartzites beneath limestones is possible.

Additionally, several iterations of Property wide stream sediment sampling have been conducted on the Hyland Property.

Drilling

Drilling on the Hyland property has focused primarily on the Main Zone area. Five distinct drilling campaigns have tested the Main Zone area (1988, 1990, 1995, 2003 and 2005). The 1988 program consisted of diamond drilling over the core of the Main Zone deposit. The 1990 program consisted of reverse circulation drilling over the core of the Main Zone deposit and to the north of it. The 1995 program consisted of diamond drilling to the north of the Main Zone deposit and off axis to the west of the Quartz Lake Lineament. The 2003 and 2005 core drilling programs focused on Main Zone targets as well as the Quartz Lake structural trend, north and south of the main Zone deposit. 2010 and 2011 core drilling campaigns targeted Main Zone mineralization as well as Au-As and Au-Bi soil anomalies to the east and south of the Main Zone deposit. See Figure 1.

While visiting the property in 2010, one of the authors took numerous handheld GPS measurements of the location of drill collars. This data included 1990 collar locations from the Main Zone and collars from step out drilling to the north. On compilation of the historical data, the authors have noticed discrepancies between the historical drill collar locations and the measured GPS locations. Investigation of possible projection shifts in the data did not resolve the problem. A complete survey of all drill collar and trench locations relative to the grid and UTM coordinates was carried out in 2010 and 2011 to the satisfaction of Argus Management.

1988 Diamond Drilling

Four diamond drill holes totalling 375.8 m were drilled in 1988 by E. Caron Diamond Drilling Ltd. of Whitehorse. A unitized Longyear 38 drill was used and all holes were completed with either HQ or NQ equipment. Results from this program were severely hampered by recovery problems. See Figure 14.

Core recovery was a severe problem, particularly in strongly oxidized breccia and gouge zones that contain extremely hard, quartzite fragments in a soft limonite or clay matrix. Recovery in the top 40 to 70 m of the holes was often as low as 1 or 2% and averaged about 20%. Most of the core that was recovered consisted of barren quartzite "marbles" without any of the mineralized matrix. Heavy mud mixtures were used in all holes in an attempt to improve core recovery and build up the walls of the holes. Unfortunately, the clays and limonite that made up the mineralized matrix were suspended in the mud and would not settle out in sludge samples.

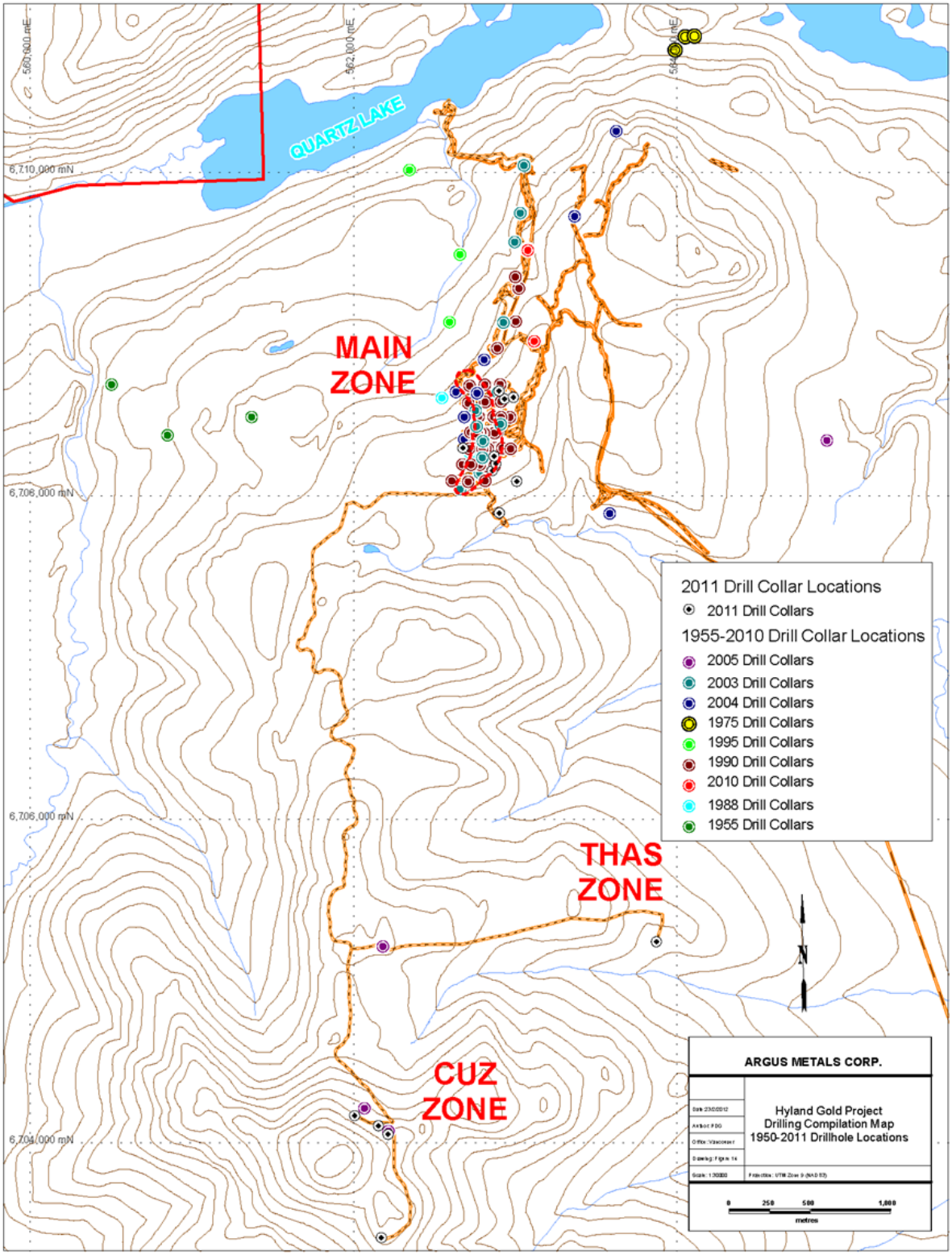
The core was logged and mineralized intervals were split and sent to Chemex where they were dried, crushed, ring pulverized, screened to -140 mesh and homogenized before a one assay ton split was taken and fire assayed for gold using a gravimetric finish. Several of the most promising intervals were not sampled because recovery was less than five percent. The remaining core was stored on the property.

All holes were located within the fault-breccia complex and tested beneath some of the better trench intersections and are briefly described below.

Hole 88-1 tested downdip from a fault zone in Trench P-25 that assayed 2.25 g/t Au over 22.7 m. The hole cut a mixture of quartzites and phyllites that are well fractured and in places strongly sheared and brecciated. Recovery ranged from 0 to 100% but was generally less than 10% in sheared or brecciated intervals. The rocks are well oxidized to 45 m. The best assay was 2.19 g/t Au over 3.0 m from a highly pyritic horizon near the bottom of the hole.

Holes 88-2 and 88-3 were drilled in opposite directions from the same collar and explored beneath well mineralized intervals in Trench P-23. The upper half of Hole 88-2 cut a series of broad faults while the bottom half intersected fairly massive phyllite, siderite and limestone. The top half is totally oxidized but recovery averaged only about 10%. Most of the material recovered consists of rounded, barren quartzite fragments. The best intersection from the hole was 3 m of 0.96 g/t Au compared 1.93 g/t Au over 45 m in the overlying trench.

Figure 1 Hyland Gold Property Drilling Compilation Map



Hole 88-3 appears to have been drilled downdip. Recovery was generally better than that obtained in Hole 88-2 but in two, 12m intervals no core was recovered. The rocks are a mixture of phyllites and quartzites and the base of oxidation is at 64 m. None of the assays from this hole exceeded 0.70 g/t Au even though the trench directly above it averaged 1.50 g/t Au over 52.3 m.

Hole 88-4 was drilled beneath Trench P-25 at the north end of the fault-breccia complex. The highest assay (1.17 g/t Au over 3 m) came from a quartz and pyrite rich band located 65 m downdip from a 5 m interval in the trench that assayed 2.23 g/t Au. The apparent dip of this zone is about 80^{o} toward the west.

1990 Reverse Circulation (RC) Percussion Drilling

A total of 3,656.0 m in 41 holes were drilled during the 1990 field season. 35 holes were drilled on 100 m sections over the core of the Main Zone, while 6 second phase holes were wide spaced step-outs drilled to the north of the Main Zone testing the continuity of mineralization. All work was carried out by E. Caron Diamond Drilling Ltd. of Whitehorse using a truck-mounted rotary percussion drill. Reverse circulation (RC) with a down-hole hammer was most often used; however conventional circulation was used to aid recovery in badly broken ground. Select drill intersections from the Main Zone deposit included 2.65 g/t gold over 16.7 m in PDH90-09 and 1.19 g/t gold over 129.7 m in PDH90-41 (Table 3). Select intersections from step out drilling to the north averaged 1.0 g/t gold over 13.7 m in PDH90-34 and 0.9 g/t gold over 33.6 m in PDH90-34 (Table 3).

2003, 2005 Core drilling Programs

During the summer of 2003 StrataGold conducted two phases of diamond drilling totaling 2416 meters, to better understand and define the extension of the main north-south linear/fault structure known as the Quartz Lake Lineament. This structural feature appears to trend for at least 13 km and contains a 3.2 km long area of anomalous gold, arsenic and bismuth from soil geochemical surveys. A 2004 exploration program included a 15.72 line kilometer Induced Polarization/Resistivity (IP/res) Survey divided into 6 west-east trending lines and eight diamond drill holes totaling 1,800 meters. In 2005, exploration work consisted of four diamond drillholes totaling 985 meters, one which followed up on an IP/res geophysical target defined in 2004 and located east of the Main Zone, as well as targeting geochemical soil anomalies in the CUZ Anomaly Zone that are coincident with apparent structural features 4 km south of the Main Zone.

Ground geophysical surveys were executed in 1988 over a 2,500 x 2,900m area in the northern part of the property along E-W oriented lines ~125m apart. Induced Polarization/Resistivity (IP/Res), Magnetic (GMag) and VLF-EM data were collected. Not all lines were surveyed with IP/Res; that part of the ground surveys covers only the northern part of the Main Zone and the area further to the north. All data is available in profile and contour form. No actual data points are shown on the original maps; station intervals are therefore unknown.

A 542 line kilometer Dighem-V survey was executed in June 1994. Lines were flown in an E-W direction at 200m intervals. The survey covers an area of 14 x 7km and is centered just north of the Cuz Zone. The

full Dighem report, maps and digital data are available including the Calculated Resistivity for the 7200Hz coplanar coil set.

An airborne magnetic and radiometric survey was flown with the Newmont airborne system in June 1995. An area of ~1,800 square kilometers was covered with E-W oriented lines at 250m interval, the aircraft –including the 1,024 cu in spectrometer- flying at 90m above ground level, the magnetometer was towed 30m below the aircraft. The data is available in map and digital format and a report by the Newmont staff.

The IP/Res survey used a single separation Schlumberger array (transmitter dipole AB=240m, receiver dipole MN=40m). The VLF-EM employed the Seattle station transmitting at 24.8kHz. The direction towards that station means that ~N-S oriented conductors and resistivity contrasts are emphasized over those oriented ~E-W.

The data available is of good quality. The IP contours were digitized in 2003 using the NAD83 base and then converted to NAD27. The main anomalous axes of the other ground data sets were traced on to the NAD27 base map. There will be no doubt some discrepancies in this process so care has to be taken when cross correlating different data sets in detail or when deciding on the actual location of anomalies.

The Aeromagnetic ("AMag") results show a large (~2,000 x 1,500m) smooth magnetic low (<56,800nT) roughly centered near the Main Zone. This type of broad, smooth magnetic low can be caused by a deep-zoned intrusive or by pervasive alteration over a large area destroying primary magnetite. The latter is the more likely source of this magnetic low. Directly north of the Main Zone are short-waved (=shallow sourced) N-S trending AMag and GMag highs and lows visible; they are superimposed on this broad low. They most likely reflect local pockets of pyrrhotite (but magnetite cannot be excluded) emplaced by mineralizing fluids. Pyrrhotite was detected in DDH HY-03-04 supporting this interpretation. It has to be emphasized that these shallow magnetic features are not seen over the Main Zone.

The ground geophysical results can be divided in to two parts. Only the northern portion of the Main Zone is covered with IP/Res. The IP data over the Main Zone shows surprisingly low values: <20msec. This value means that chargeable material (sulphides, graphite etc.) is present in low quantity (~1%). The general background for the whole grid is ~25msec. Res values are also non-anomalous in the 500 – 1500 ohm range. There are no VLF-EM or AEM conductors mapped over the Main Zone. The Res values calculated from the 7200Hz AEM data are over the Main Zone in the 400 – 500ohmm range. The GRes and ARes values show different ranges for they are calculated differently; they have to be compared within their individual data sets. It has to be concluded that the Main Zone does not show an (obvious) anomalous geophysical signature.

The area directly to the north of the Main Zone shows a complete different geophysical character. Narrow somewhat en-echelon IP highs with amplitudes of >50msec coincide or are en-echelon with VLF-EM conductors and short-waved magnetic responses. This zone contains also the best AEM conductor from the Dighem survey. The Ternary Radiometric map shows also a weak change compared with the areas immediately to the west and east. Holes DDH HY-03-04 to 07 were drilled in this area. These holes

most likely intersected higher concentrations of sulphides than the holes in the Main Zone. These are most likely semi-massive to massive (py + po) bands assuming they intersected the conductors.

It has to be noted that the axis of the geophysical anomalies in the North Zone are oriented ~N5ºW. These axes do not project though the Main Zone. It is therefore possible or most likely that the Main Zone and North Zone represent two separate mineralizing events possibly originating from the same deep source. The two zones appear slightly offset along an ~NW – SE structure roughly coinciding with the 500ohmm GRes contour visible directly north of DDH HY-03-03. It should be pointed out that the large area of GRes low (<500ohmm) extends to the west of the North Zone and correlates with a large portion of the center of the large Mag low. It is important to note that the trend of the geophysical anomalies cuts obliquely across the geology as seen on detailed maps, (Lusting et al., 2003).

The main fault zone indicated on the various maps and bifurcating through and along the east side of the Main Zone cuts the geophysical anomalies of the North Zone obliquely by ~15º. There is no obvious geophysical expression of this structural zone in this area. A fault several hundred meters to the east and in part coincident with a gulley coincides with a weak narrow GRes low. There is no VLF-EM conductor correlating with it but its northern part shows a weak IP high. Further to the east is a block of <500 ohm rock present. The VLF-EM conductors along its edges are typical resistivity contrast anomalies not those caused by true conductors.

The ARes map shows a low (<100 ohm) correlating with the large GRes low directly west of the North Zone. The Main zone, as mentioned already, displays elevated ARes values. A structural zone is mapped along its east side (=contrast in Res values) it can be followed southward to ~6,706,000N and possibly along the east side of the Cuz Zone and further south. The Cuz Zone does not show any conductive responses (=AEM) rather it displays high ARes values of ~6,000ohmm. The assumed fault offset near the Cuz Zone is not visible in the 7200Hz Res or AMag data.

An area in the SE part of the IP/Res grid (~6,708,500N – ~564,000E) shows elevated values up to 50msec; it is open to the south. A VLF-EM conductor projects in to it together with a weak N-S trending AEM conductor. The northern tip of a strong linear Mag high coincides with the SE-most peak of the high IP zone. Main Quartzite (MQ), a brittle unit that shows open fractures and dilatant zones, underlies it. The IP values further to the north over the same unit are not as high. Au-geochemical values over it are 25ppb or less but directly to the south, where there is no IP/Res coverage, are numerous high Au values recorded. This area is of interest for it is possible that the IP high reflects hydrothermal sulphides and Au further to the south rather than graphite or primary sulphides. (excerpted from Klein, 2004).

Table 3 Summary of Significant Drill Intersections (1990 – 2005), Main Zone

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
PDH90-01		0	12.2	12.2	2.1
		18.3	21.4	3.1	0.8
		44.2	48.8	4.6	0.5
PDH90-02		6.1	13.7	7.6	0.8
		27.4	32	4.6	1.7
		39.6	42.7	3.1	0.9
		61	82.6(EOH)	21.6	0.8
	includes	68.6	70.1	1.5	3.4
PDH90-03		3	6.1	3.1	0.9
		8.5	11.6	3.1	5.3
		32	42.7	10.7	0.7
		50.3	53.3	3	1.1
PDH90-04		70.1	73.2	3.1	0.6
PDH90-05		6.1	15.2	9.1	1.2
		18.3	21.4	3.1	0.6
		24.4	38.1	13.7	0.5
		56.4	67.1	10.7	0.5
PDH90-06		15.2	18.3	3.1	2
		38.1	48.8	10.7	0.5
PDH90-07		0	3	3	0.8
		7.6	19.8	12.2	1.8
		68.6	71.6	3	0.7

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
PDH90-08		10.7	22.9	12.2	1.3
		27.4	35	7.6	0.7
		44.2	47.2	3	0.6
PDH90-09		0	16.7	16.7	2.7
	includes	9.1	12.2	3.1	6.6
		36.6	39.6	3	0.6
		50.3	56.4	6.1	0.6
		109.7	112.8	3.1	0.7
		115.8	126.5	10.7	0.8
		130	137.1	7.1	1.5
		140.2	152.9(EOH)	12.7	1.6
PDH90-10		24.4	27.4	3	0.5
PDH90-11		1.5	7.6	6.1	1.2
		18.3	39.6	21.3	1.6
		42.7	45.7(EOH)	3	0.6
PDH90-12		1.5	7.6	6.1	1.2
		61	70.1	9.1	1
PDH90-13		29	32	3	0.7
		45.7	50.3	4.6	0.5
PDH90-14		18.3	21.4	3.1	0.5
PDH90-15		10.7	18.3	7.6	0.8
		64	67.1	3.1	0.5

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
PDH90-16		0	12.2	12.2	1.3
		36.6	44.2	7.6	0.6
		56.4	59.4	3	0.5
PDH90-17		no significant intersections			
PDH90-18		13.7	29	15.3	0.7
PDH90-19		3.1	6.1	3	0.8
		30.5	38.1	7.6	0.7
PDH90-20		18.3	22.9	4.6	0.4
		25.9	28	3.1	0.7
		100.6	105.2	4.6	0.5
PDH90-21		1.5	4.6	3.1	0.6
		7.6	12.2	4.6	0.5
PDH90-22		21.4	24.4	3	1
		29	32	3	1
PDH90-23		111.3	114.3	3	0.9
PDH90-24		21.4	30.5	9.1	1.7
		54.8	70.1	15.3	0.9
PDH90-25		0	3	3	0.6
		9.1	15.2	6.1	0.6
		126.3	129.5	3.2	0.5
PDH90-26		1.5	9.1	7.6	0.8
		21.4	24.4	3	0.4

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
PDH90-27		7.6	15.2	7.6	0.8
PDH90-28		44.2	47.2	3	0.4
		73.1	77.7	4.6	0.4
PDH90-29		6.1	9.1	3	0.4
PDH90-30		0	7.6	7.6	0.8
		22.9	27.4	4.5	0.5
		32	35.1	3.1	0.5
		45.7	48.7	3	1
PDH90-31		no significant intersections			
PDH90-32		0	4.5	4.5	0.6
PDH90-33		25.9	30.5	4.6	0.7
		82.3	88.4	6.1	1.4
PDH90-34		0	13.7	13.7	1
		16.8	19.8	3	0.6
		45.7	79.3 (EOH)	33.6	0.9
PDH90-35		19.8	25.9	6.1	0.8
		44.2	47.2	3	0.6
PDH90-36		27.4	32	4.6	1.2
		38.1	44.2	6.1	0.5
		64	67.1(EOH)	3.1	1.5

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
PDH90-37		0	4.6	4.6	1.1
		134.1	143.2 (EOH)	9.1	0.9
PDH90-38		3.1	13.7	10.6	0.6
		22.9	25.9	3	0.8
		48.8	51.8	3	0.5
PDH90-39		no significant intersections			
PDH90-40		no significant intersections			
PDH90-41		0	6.1	6.1	0.6
		12.2	141.9	129.7	1.2
DDH95-05		50.3	53.9	3.6	0.5
		73	81.1	8.1	0.5
		124.2	127.5	3.3	0.4
DDH95-06		57.1	63.1	6	0.9
		68.9	72	3.1	0.6
		77.7	80.7	3	0.5
		101.3	104.9	3.6	0.7
HY-03-001		137.16	154.38	17.22	1.29
HY-03-001		137.16	140.98	3.82	3.56
HY-03-002		7.62	35.62	28	0.93
HY-03-002		7.62	12.51	4.89	1.31
HY-03-002		26.42	35.62	9.2	1.68

HOLE		FROM	TO	WIDTH	Au
		(m)	(m)	(m)	(g/t)
HY-03-002		55.09	108.2	53.11	1.38
HY-03-002		84.38	89.92	5.54	4.24
HY-03-002		118.61	121.29	2.68	0.78
HY-03-002		149.38	153.98	4.6	0.83
HY-03-002		179.91	184.4	4.49	0.9
HY-03-003		28.46	32	3.54	2.9
HY-03-003		47.24	53.73	6.49	2.02
HY-03-003		62.48	65.53	3.05	1.59
HY-03-004		81.99	97.63	15.64	0.33
HY-03-004		106.37	108.66	2.29	0.61
HY-03-008		113.2	121.85	8.65	0.67
HY-03-008		131.7	140	8.3	0.81
HY-03-008		135.9	140	4.1	1.31
HY-03-009		136	140.73	4.73	0.98
HY-03-009		153.15	165.5	12.35	0.98
HY-03-010		49.18	55.7	6.52	0.63
HY-03-010		68.9	74.2	5.3	0.62
HY-03-011		117.39	122.94	5.55	0.69
HY-03-012		102.65	112.47	9.82	0.76
HY-03-012		133.73	143.36	9.63	1.57

Regional Geology

The Hyland project is located in the southeastern Selwyn Basin, a Late Precambrian to Middle Devonian tectonic element characterized by underlying marine and deep water derived clastic rocks. Deposition of sediments into the basin was restricted by the Cassiar platform to the southwest and the Mackenzie shelf to the east. It is considered part of Ancestral North America and records several episodes of pericratonic rifting with subsequent subsidence. Generally, the basin fill comprises shale, limestone, chert and grit that have been subdivided across the basin into many formations and distinct facies that may or may not be time-equivalent. Recent regional scale geological mapping of the area (Pigage et al., 2011) provides a framework for the regional and property-scale descriptions below.

On a regional scale the Hyland property is located in an area of the Selwyn basin underlain by Precambrian (Yusezyu, Narchilla and Vampire formations), Lower-Middle Cambrian (Sekwi Formation), Cambrian-Ordovician (Otter Creek and Rabbitkettle formations), Ordovician (Sunblood Formation), Silurian-Devonian (Road River Group and undivided Nonda-Muncho-McConnell-Stone-Dunedin formations) and locally Eocene (Rock River basin) sequences (Figure 5). The sedimentary rocks were subsequently intruded by Cretaceous granite, quartz monzonite and granodiorite plugs assigned to the Selwyn Plutonic Suite. Collectively, they record a quiescent, subsiding continental margin punctuated by transgressive and regressive cycles, rifting, a receptacle for orogenic detritus from the north, collision of allochthonous terranes, mountain building and magmatism (Gordey and Anderson, 1993).

The lower Hyland Group (Yusezyu Formation, **Py**) comprises quartz-rich sandstones ranging from medium grained sand to pebble conglomerate sized clasts. Distinct, opalescent blue spherical quartz grains are common. The bottom of the formation is not exposed in the basin but the formation is estimated to be greater than 3 km thick (Gordey and Anderson, 1993). At the top of the Yusezyu Formation, a crystalline limestone or calcareous sandstone unit (**PCvn-l**) is generally present. This unit marks the transition from Yusezyu Formation sandstones to finer grained clastic rocks of the Narchilla Formation (**PCvn-m**). In the Coal River area the Narchilla and Vampire formations are undivided with the former representing the basinal facies and the latter the basin to shelf transitional facies. The Narchilla Formation consists of maroon and green phyllite, silty phyllite and minor quartzose sandstone to pebble conglomerate. The limestone and Narchilla mudstones are locally interfingered. The Vampire Formation (**PCvn**) consists of green phyllite, silty phyllite, minor quartzose sandstone to pebble conglomerate, and bedded limestone. (Black, 2010).

Lower Cambrian rocks interpreted to be correlative to the Sekwi Formation (**Cs**) conformably overlie the Narchilla-Vampire sequences. They consist of green to tan brown weathering phyllite, siltstone and arkose. The finer grained lithologies are locally calcareous and/or fossiliferous. Locally, a mafic volcanic sequence of tuff, flows and pillowed lavas (**Cv**) occurs near the top(?) of the Vampire-Narchilla formations

The Lower Cambrian rocks are unconformably overlain by Cambrian to Ordovician rocks including the Otter Creek formation (**COoc**) comprising resistant light grey limestone and buff coloured dolostone.

Overlying theses rocks is the Rabbitkettle formation (**CO$_R$**) divided into; a volcanic facies (**CO$_R$-v**) comprised of mafic tuff, breccias and amygdaloidal pillowed flows; a west facies (**CO$_R$-lp**) including platy phyllitic limestone, calcareous phyllite and light grey, yellow weathering silty limestone; and an east facies (**CO$_R$-n**) that is more calcareous comprised of wavy banded, nodular silty limestone and pale grey bedded limestone.

The Ordovician is represented by the Sunblood formation comprised of two members a mafic volcanic member comprised of basaltic tuff, breccia and amygdaloidal pillowed flows (**OSu-v**) and a laminated and/or bioturbated buff to orange weathering dolostone or limestone (**OSu**). Conformably overlying the Sunblood formation is the Silurian to Devonian Road River Group (**SD$_{RR}$**) comprised of dark grey to black calcareous or dolomitic locally graptolitic recessive shale, siltstone and bedded chert. The laterally equivalent carbonate dominated Siluro-Devonian unit **SDc** (undivided Nonda-Muncho-McConnell-Stone-Dunedin formations) is present to the south and comprises grey thick-bedded dolostone, and black thick-bedded limestone. (Black, 2010).

Devonian to Mississippian extension resulted in subvertical normal faults of varying orientation juxtaposing deeper basinal rocks against younger lithologies. This geometry effectively preserved Ordovician to Silurian rocks locally and resulted in unconformable relationships between the Hyland and Earn group rocks elsewhere. The occurrence of abundant debris flows containing car sized clasts of underlying lithologies are a product of this block faulting (Gordey, 2008).

Mesozoic docking of allocthonous terranes to the southwest of the Selwyn Basin resulted in thin-skinned thrusting and folding with eastward displacements upwards of 200 km (Gabrielse, 1991). Related deformation in the Selwyn Basin is dominated by the interplay of less competent quartz-poor and competent quartz-rich layered rocks. Large-scale structures consist of thrust-faults, open to tight folds, locally intense small scale folds and zones of closely spaced imbricate thrust sheets. These structures are attributed to Early Cretaceous northeast directed compression pre-dating the extensive plutonism in the basin. Typically a well developed phyllitic to slatey cleavage is present and is most prevalent in mudstone and siltstone. The dominant fabric in the basin trends northwest and generally dips steeply to the northeast but in places may be shallowly south-dipping. Locally, however, structural trends vary and commonly parallel the arcuate Paleozoic shale-carbonate boundary within the Mackenzie Mountains to the east. This results in structural trends that may vary from east-northeast to east-west with northerly, easterly, or westerly vergence of major structures (Gabrielse, 1991).

Following crustal thickening numerous calc-alkaline plutons were emplaced into the sedimentary package described above. Cretaceous plutonism in the Selywn basin progressed from the southeast to the northwest beginning with the emplacement of the Anvil and Tay River suites and culminating with the emplacement of the Tungsten and Tombstone suites ca. 90 – 93 Ma (Anderson 1983, 1987, 1993). Previously the nearest known intrusion to the Hyland property was a 15 km diameter stock located 22 km to the west. Recent mapping of Pigage et al. (2011) however, has identified a 7 km x 3 km body granitic body that returned a U-Pb zircon age of 97.8 Ma (Pigage et al., 2011). This body is the southernmost exposure of cretaceous granitic rocks along a northeast trending belt of higher

metamorphic grade (locally up to garnet-staurolite grade) and cretaceous magmatism that parallels the Skonseng fault. (Black, 2010)

Structure

Regionally, the Hyland property is located in the hanging wall of an east-verging imbricate thrust system controlled by the Coal River fault. Indeed, the surface trace of westernmost fault of this system is located just inside the eastern margin of the property. Within the hanging wall the structural grain is largely northwest trending and lineations plunge both to the northwest and to the southwest. The dominantly precambriam sedimentary rocks of the hanging wall are folded into a series of anticline-syncline pairs that expose the Yusezyu at the core of northwest trending anticlines (Black, 2010).

East of the imbricate thrust system Cambrian to Devonian rocks with a carbonate shelf affinity contain a north trending structural fabric. Mapped folds are typically tighter with more closely spaced axial planes and east-verging. Lineations plunge north and south likely controlled by their proximity to second-order east-west trending strike slip faults related to the larger thrust faults. Locally, the strike-slip faulting has up to 3 km of throw.

The regionally significant north striking Rock River normal fault separates an elongate belt of Precambrian rocks from Silurian to Devonian shelf rocks and was likely the boundary fault to the Eocene Rock River basin host to Lignite coal occurrences deposited the eastern side of the fault. The Rock River fault cuts the Coal River thrust fault but it is unclear from the regional mapping the timing relationship between the two. Black, 2010.

Regional Mineralization and Metallogeny

The Selwyn basin is most well known for its endowment of SEDEX Zn-Pb-Ag occurrences including twelve deposits with proven reserves three of those were past producers. The SEDEX deposits can be divided into three categories based on their age of formation; Late Cambrian (e.g. Faro; 57.6 Mt @ 5.7 % Zn adn 3.4 % Pb), Early Silurian (e.g. Howards Pass; 115.4 Mt @ 5.38 % Zn and 2.08 % Pb) and Late Devonian (e.g. Tom; 15.7 Mt @ 7.0 % Zn, 4.6 % Pb and 49.1 g/t Ag). In addition to the SEDEX deposits the basin also contains MVT and stratiform barite deposits.

The Hyland project is located in a second regionally significant metallogenic province referred to as the Tintina gold belt, comprised of several gold rich districts extending from western Alaska to southern Yukon. The belt includes notable gold deposits such as Donlin Creek, Fort Knocks and Pogo in Alaska and the Dawson Gold district, Brewery Creek, Mt Nansen, Ketza River and the Newley discovered Nadaleen trend in Yukon. The Tintina Gold Belt is roughly constrained by the Tintina fault to the north and east and the Denali fault to the south and west. It is coincident with extensive mid cretaceous plutonism and deposit types are typically associated with these intrusions in some fashion. The compositions of the intrusive rocks are typically granodiorite, granite and syenite. They are predominantly metaluminous,

calk-alkaline to locally alkallic, have low primary oxidation states and typically contain significant crustal contamination. (Carne, 2001).

The most significant mineral occurrence near the Hyland property is the McMillan Ag-Pb-Zn deposit 5 km to the west. A historical resource of 1.1 million tonnes grading 8.3% zinc, 4.1% lead and 62 g/t silver in strata concordant and discordant mineralization. It is hosted in late Precambrian rocks of the Hyladn formation. The deposit has been alternately described as syngenetic and post depositional replacement style mineralization.

Geology

The Hyland Property is comprised of an interbedded sequence of quartzites, limestones, and phylites. Individual beds vary from less than one meter to tens of meters in thickness. Several units are mixed, with phylitic dirty limestones, calcareous quartzites and so on. This stratigraphic complexity coupled with structural features (folding and faulting), and a lack of sufficient outcrop exposure produces a complex geologic area which is difficult to map stratigraphically.

In general, a mixed unit of quartzites, phylites, and limestones appears to be folded about a north-south trending anticline with its axis lying in the Main Zone. Flanking the mixed unit to the east and west is a relatively clean, massive limestone unit. A north-south structural corridor referred to as the Quartz Lake Lineament trends through the Main Zone and is thought to be a major control of mineralization. Late east-west brittle faults are known to occur in the Yukon and Selwyn Basin and are likely to occur on the property although none have been identified on surface to date (Black, 2010).

Alteration

Two styles of alteration occur on the Hyland property. Tourmaline+/-arsenopyrite-pyrite-silica alteration is ubiquitous in mineralized intervals. The alteration locally eradicates primary sedimentary features and imparts a light greyish brown colour on all lithologies. White quartz veins cut this alteration and adjacent, less altered, intervals but are interpreted to be part of the same alteration assemblage. Sulphide minerals occur as anhedral fine to medium grained aggregates disseminated throughout the altered intervals and in dismembered irregular veins. Tourmaline is visible only in thin section and consists of very fine grained anhedral to euhedral crystals occurring in aggregates or disseminated throughout the groundmass. Notably, the eradication of sedimentary structures in strongly altered zones can give the false impression that the original rock type is a quartzite . They primary distinction is the lack of strain in the secondary silica. (Black, 2010).

Patchy to pervasive, very fine grained iron carbonate alteration was not examined in thin section but observed in drill core. The iron carbonate alteration imparts a light beige wash across the drill core and appears antithetic to sulphide as well as overprinting the silica alteration. Furthermore, titanite-quartz-carbonate veins, thought to be contemporaneous to the iron carbonate alteration, cross cut quartz and quartz + sulphide veins. For these reasons the pervasive iron carbonate alteration is interpreted to be

sulphide destructive and later than the earlier tourmaline+/-arsenopyrite-pyrite-silica alteration (Black, 2010).

Mineralization

Main Zone Mineralization

Iron oxide units which contain semi-massive to massive sulphide (mostly pyrite with lesser arsenopyrite) are observed throughout the property. These units were previously believed to be limestone replacement beds occurring sporadically at the base of limestone units. In 2010 these iron oxide zones were found to be continuous and mapable following a trend similar to the Quartz Lake Lineament. The resulting interpretation is that this iron oxide unit is structurally rather than stratigraphically controlled and represents a good (untested) drill target north of the Main Zone.

On surface the iron oxide occurs in two horizons that strike north and take a chicane like bend to the east before returning to a northward trend approximately 300 m further on. The western horizon appears to be thicker (~10 m) with more intense alteration and mineralization. Both contain moderate to intense secondary iron oxide mineralization (limonite, goethite, and locally earthy hematite) and moderate to intense manganese oxides. Unoxidized, podiform semi-massive to massive sulphides (pyrite with lesser arsenopyrite) remain unaltered locally.

Sulphide mineralization and cross-cutting relationships among sulphide bearing veins are complex. There are at least three generations of veining present in the samples sent for petrographic analyses that have been divided into types I, II and III. These veins overprint disseminated stratabound diagenetic(?) pyrite mineralization that occurs as aggregates of anhedral pyrite disseminated along bedding planes in less altered, layered metasedimentary rocks. The diagenetic mineralization has been cut by type I veins consisting of ill defined or discontinuous aggregates of fine to medium grained, intergrown, anhedral pyrite and arsenopyrite that in turn are dismembered by type II veins consisting of quartz + fine grained sulphides (pyrite +/- arsenopyrite +/- chalcopyrite +/- bismuthinite) +/- tetrahedrite +/- native gold. The type III veins consist of Quartz +/- Fe-carbonate +/- pyrite +/- titanite that cross cut all other vein types and mineralization.

Ore microscopy work has identified a sample contain 8 gold grains 5-35 microns in size. The gold typically occurs at pyrite-arsenopyrite grain boundaries or less commonly as inclusions within pyrite and are thought to be genetically related to the pyrite. Gold shows a strong geochemical correlation with bismuth, a moderate correlation with arsenic, copper and silver. Bismuthinite was identified in two petrographic samples that returned 4 g/t and 2 g/t Au and arsenopyrite is a common constituent in the quartz + sulphide stockwork associated with the Main zone mineralisation. High levels of bismuth and the presence of bismuthinite is often used as evidence for a magmatic origin for gold mineralization. Arsenic, on the other hand can occur in a variety of environments, (A. Mauler-Steinmann, 2011).

CUZ Zone Mineralization

Mineralization occurs in east-west striking, north dipping quartz vein breccia zones of up 4m width in outcrop. The main expression of the mineralization is manifest in a gold /arsenic soil anomaly 300 by 700m in area that has been extended over two kilometres to the east on strike with the vein structure. Mineralization is gold dominated with rare silver values as compared to the silver dominated mineralization at the Main Zone deposit. In style and orientation CUZ Zone mineralization is most comparable to type III mineralization at the Main Zone deposit with Quartz +/- Fe-carbonate +/- pyrite +/- titanite. (Black, 2010 and Tucker et al. 2003).

Deposit Types

The Selwyn basin is most well known for its endowment of SEDEX Zn-Pb-Ag occurrences including twelve deposits with proven reserves three of those were past producers. The SEDEX deposits can be divided into three categories based on their age of formation; Late Cambrian (e.g. Faro; 57.6 Mt @ 5.7 % Zn adn 3.4 % Pb), Early Silurian (e.g. Howards Pass; 115.4 Mt @ 5.38 % Zn and 2.08 % Pb) and Late Devonian (e.g. Tom; 15.7 Mt @ 7.0 % Zn, 4.6 % Pb and 49.1 g/t Ag). In addition to the SEDEX deposits the basin also contains MVT and stratiform barite deposits.

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The most significant mineral occurrence near the Hyland property is the McMillan Ag-Pb-Zn deposit 5 km to the west. A historical resource of 1.1 million tonnes grading 8.3% zinc, 4.1% lead and 62 g/t silver in strata concordant and discordant mineralization. It is hosted in late Precambrian rocks of the Hyland formation. The deposit has been alternately described as syngenetic and post depositional replacement style mineralization.

Recent Exploration

In 2010 the Argus exploration program on the Hyland property began, comprising 10 days of geological mapping and reconnaissance focused within the Main Zone and northwards to Hulse Lake. And 765 m drilled in four holes from three sites. All four drill holes returned significant results with HY-10-26 returning a campaign high of 34.74m at 1.1g/t Au and 3.79 g/t Ag. A Transient Electromagnetic (TEM) survey was conducted across the Main Zone and select core intervals where resampling of for

petrography. A total of 628 additional claims were staked in the fall of 2010 on the basis of work completed in the summer of 2010 as well as to encompass historic stream sediment anomalies to the north and south of the project.

In 2011 Argus completed an additional Transient Electromagnetic (TEM) survey on the southern extension of the main zone and north of the CUZ anomaly. 16 drill holes were completed for 3,218m of drilling focused on the Main Zone, southern extension of the Main Zone, the historic South-east Au-As anomaly, the Historic CUZ Au-As anomaly as well as two targets defined in 2011, the THAS and CUZ Sur targets. Promising intercepts of gold and silver mineralization were encountered in the Main Zone drilling and a gold mineralization discovery was defined at the CUZ Zone.

2010 and 2011 Drill programs

20 drill holes (3,953 metres, 5,591 assays) completed in 2010 and 2011 by Argus. In 2010 four diamond drilling holes were drilled in the Main Zone and north extension for a total of 765 m drilled in four holes from three sites. Apex diamond drilling of Smithers, BC ably performed the recovery of HQ and NQ sized drill core using a heli-supported drill rig. Significant results included HY-10-25 with 9.13m of 2.08 g/t Au and 13.51 g/t Ag and Hole HY-10-26 with 34.74 m of 1.1 g/t Au and 3.79 g/t Ag extending the main Zone mineralization to the east.

In 2011, 16 core recovery drill holes were drilled for a total of 3,218m of NQ and HQ drilling targeted the Main Zone deposit, and soil anomalies to the south and east of the Main Zone and one Vein hosted target south of the CUZ Zone. Candrill Global Ltd. of Tisdale Saskatchewan executed the program with a "A5" skid mounted drill rig. As in previous drill programs, recovery was difficult in the upper oxide zone, however through effective control of drill torque and water pressure, as well as reduced core increased core retrieval cycles there was a noticeable increase in recovery and competence of core material.

Significant results included HY-11-29, 39.4 metres of 0.80 g/t gold and 3.28 g/t silver from 71.6 metres to 111.0 metres depth, HY-11-31, 42.2 metres of 0.78 g/t gold and 2.38 g/t silver from 143.8 metres to 186.0 metres depth including 9.2 metres of 1.79 g/t gold and 0.36 g/t silver from 143.8 metres to 153.0 metres depth and HY-11-30, 1.5 metres of 1.56 g/t gold from 75.0 to 76.5 metres (a zone of no recovery of 7.5 metres and then 3 metres of 0.33g/t gold and 11g/t silver

HY-11-41, 25.9 m grading 2.03 g/t gold and 6.42 g/t silver from 122.9 to 148.8 m within 144.3 m grading 0.54 g/t gold and 2.84 g/t silver from 3.0 to 148.8 m including 1.5 m of 11.7 g/t gold and 20.1 g/t silver at 131.2 m which extends Main Zone mineralization to depth and to the east. HY-11-40, 17.7 m grading 1.0 g/t gold and 8.0 g/t silver from 99.3 to 117 m which extends Main Zone mineralization to the east. HY-11-42, 21.0 m grading 1.1 g/t gold and 15.0 g/t silver from 48 to 69 m within 45 m of 0.65 g/t gold and 7.8 g/t silver from 24 to 69 m which extends Main Zone mineralization to the east.

DDH HY-12-37 for 4.5 m grading 1.93 g/t gold from 25.9 to 30.4 m and 4.5 m grading 0.65 g/t gold from 10.5 m to 15 m in the CUZ Zone discovery hole. Drillhole HY-11-36, 6 m grading 1.38 g/t gold from 9.0 to 15.0 m and 1.5 m grading 1.52 g/t gold from 25.50 m to 27.0 m located 80m northwest of discovery hole HY-11-36. Drillhole HY-11-38 with 3.6 m grading 1.12 g/t gold from 16.4 to 20.0 m , located 240m

northwest of discovery hole HY-11-36. These three drill holed extend CUZ Zone mineralization over 240 of east-west strike in a previously defined as a soil anomaly.

Geophysics

From October 3rd - 15th 2010 Frontier Geosciences carried out a Transient Electromagnetic (TEM) survey. The purpose of the survey was to trace massive to semi-massive sulphide mineralization at depth beneath and to the north of the main zone. The survey consisted of a single ~1,000 m by 500 m loop surveyed from five 1km long traverses with readings taken every 25m. Results of the survey indicate that there are no shallow conductors beneath the Main Zone of the Hyland property, possibly reflecting the depth of oxidation and/or lack of interconnectivity of the sulphides. The geophysical survey indicates that a steep, shallowly dipping conductive plate strikes ~009° and is buried 150 m below the surface. The data set was not conducive to modeling the thickness or conductivity.

From July 19 – July 30, 2011 Abitibi Geophysics carried out a **TDEM** (Time Domain ElectroMagnetics) Survey. The purpose of the survey was to trace massive to semi-massive sulphide mineralization at depth beneath and to the south of the Main Zone. The survey consisted of a ~1,800 m by 1,600 m loop surveyed from eight 1.5 km long traverses with readings taken every 25 and 50m, and "In-Loop survey 1,000 x 1,000 In-Loop surveyed from four 1 km long traverses with readings taken every with 25m and 50m. TEM anomalies were detected over the TEM survey grid at the South end of the Main Zone. These anomalies are considered as moderate conductors and their response is typical of disseminated sulphide type mineralization. Two anomalies are identified at the southern end of the TEM Survey and remain open to expansion in the southern dimension. The Authors of the Geophysical report recommended an IP survey to help detect sulphide mineralization associated with gold. (Dubois, 2011)

Mineral Processing and Metallurgical Testing

In the course of the 1990 RC drill program, Sax and Carne (1990), there was limited testing of recovery on selected samples

Cyanide Extraction Results

The same twenty-five representative samples were re-analyzed by Chemex Labs (now ALS – Chemex Laboratories) using a cold cyanide extraction. Depth of the samples ranges from 1.5 to 150 m. Gold content of the samples, determined by fire assay, ranges from 0.3 to 5.1 g/t. Samples were selected to be representative of the oxide (12 samples), transition (6 samples) and sulphide (7 samples) zones as identified by chip logging.

Results are summarized as follows.

Average gold recovery of all samples by cold cyanide extraction is 70.2%.
Average gold recovery by cold cyanide extraction from oxide samples is 87.5%.
Average gold recovery by cold cyanide extraction from transition samples is 87.5%.
Average gold recovery by cold cyanide extraction from sulphide samples is 37.7%.

Preliminary microscopy work (Mauser-Steinman, 2011) indicates that gold in unoxidized material is primarily found in fractures and on pyrite grain boundaries and is non-refractory.

Gold recovery is independent of grade in the oxide facies, ranging from 70 to 100%. Recovery is also independent of copper grade in the oxide zone, although this does not necessarily mean that copper is not a cyanide consumer.

This testing was preliminary in nature and is not a definitive analysis of the leaching properties of the mineralization at the Main Zone Deposit

MINERAL RESOURCE ESTIMATE

The resource estimate presented below represents the first National Instrument ("NI") 43-101 resource estimate completed on the Main Zone of the Hyland Gold Property. The resource report was commissioned by Argus and completed by GeoVector on the Property in 2012 and an Inferred Mineral Resource, at a 0.6 g/t gold equivalent ("AuEq") of 12,503,994 tonnes containing 361,692 ounces gold at 0.9 g/t and 2,248,948 ounces silver at 5.59 g/t was subsequently reported.

The Inferred Mineral Resource was estimated by Allan Armitage, Ph.D., P. Geol, of GeoVector Management Inc. Armitage is an independent Qualified Persons as defined by NI 43-101. Practices consistent with CIM (2005) were applied to the generation of the resource estimate. There are no mineral reserves estimated for the Property at this time.

Inverse distance squared interpolation restricted to a single mineralized domain was used to estimate gold and silver grades into the block model. Inferred mineral resources are reported in summary tables in Section 14.9 below, consistent with CIM definitions required by NI 43-101 (CIM, 2005).

Drill File Preparation

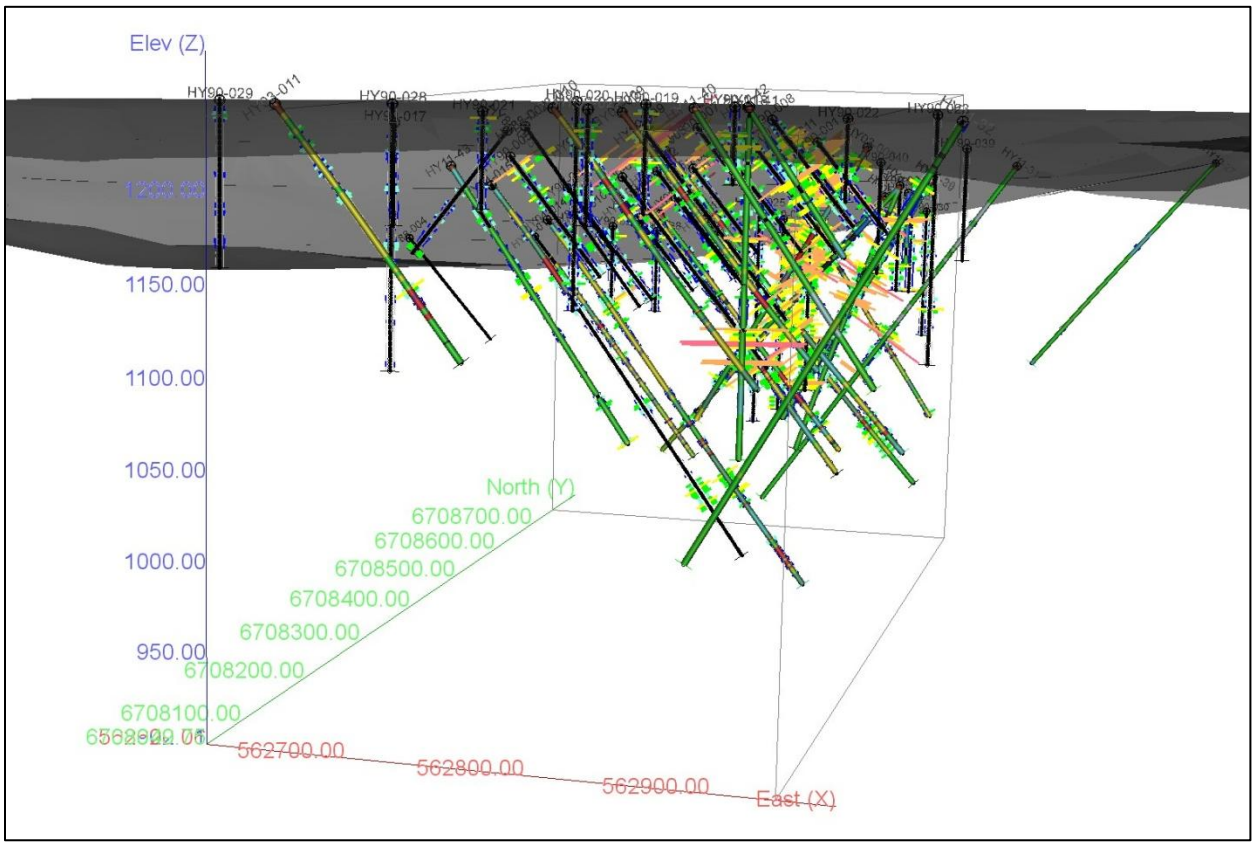
To complete the resource estimate GeoVector assessed the raw drill core database that was available from drill programs completed between 1988 and 2011 on the Property (Figure 2). GeoVector was provided with a database of 92 diamond and Reverse circulation ("RC") drill holes (13,615 meters) with 8,704 assay values collected through 2011. This includes 72 historic drill holes (9,662 metres, 2,713 assays) completed from 1988 to 2005, and 20 drill holes (3,953 metres, 5,591 assays) completed in 2010 and 2011 by Argus. The drill hole database included collar locations, down hole survey data, assay data, lithology data and specific gravity ("SG") data. No resource or geological models were provided to GeoVector. Topographic data from government topographic maps was provided from which a 3D topography surface file was created.

The database was checked for typographical errors in assay values and supporting information on source of assay values was completed. Sample overlaps and gapping in intervals were also checked. Gaps in the sampling were assigned a grade value of 0.001 for gold and 0.01 for silver.

*In addition, it was noted that samples from the 1988 and 1990 drill programs (2,481 samples) were not analysed for silver. As a result, silver values were calculated for these assay values based on a linear regression curve defined by assay data (6,224 samples) from drill holes for which silver was analyzed. Silver values were calculated for the 1988 and 1990 samples using the formula: Silver = 4.7795 * Gold + 0.4496. GeoVector has made the assumption that if silver were analysed in these historic holes, the grades would be consistent with silver grades for samples from more recent drilling.*

Verifications were also carried out on drill hole locations, down hole surveys, lithology, and topography information. A significant number of drill holes are lacking proper down hole survey information. A number of drill hole elevation values were adjusted based on the topographic surface.

Figure 1 Isometric view looking north showing the drill hole distribution and topography in the Main Zone area.



Resource Modelling and Wireframing

For the 2011 resource, a grade control model was built which involved visually interpreting mineralized zones from cross sections using histograms of gold and silver values. Polygons of mineral

intersections were made on each cross section and these were wireframed together to create contiguous resource models in Gemcom GEMS 6.3 software.

The modeling exercise provided broad controls of the dominant mineralizing direction. The Main Zone resource model (Figure 3, 4) defines a shallow north plunging (10° – 15°) antiformal structure with shallow to moderate (20° – 35°) west dipping limbs (axial plane). The antiform extends for approximately 725 metres along strike. The lower limb of the antiform extends and to a depth of up to 250 metres.

Figure 32 Isometric view looking north showing the Main Zone resource model, drill hole locations and topography

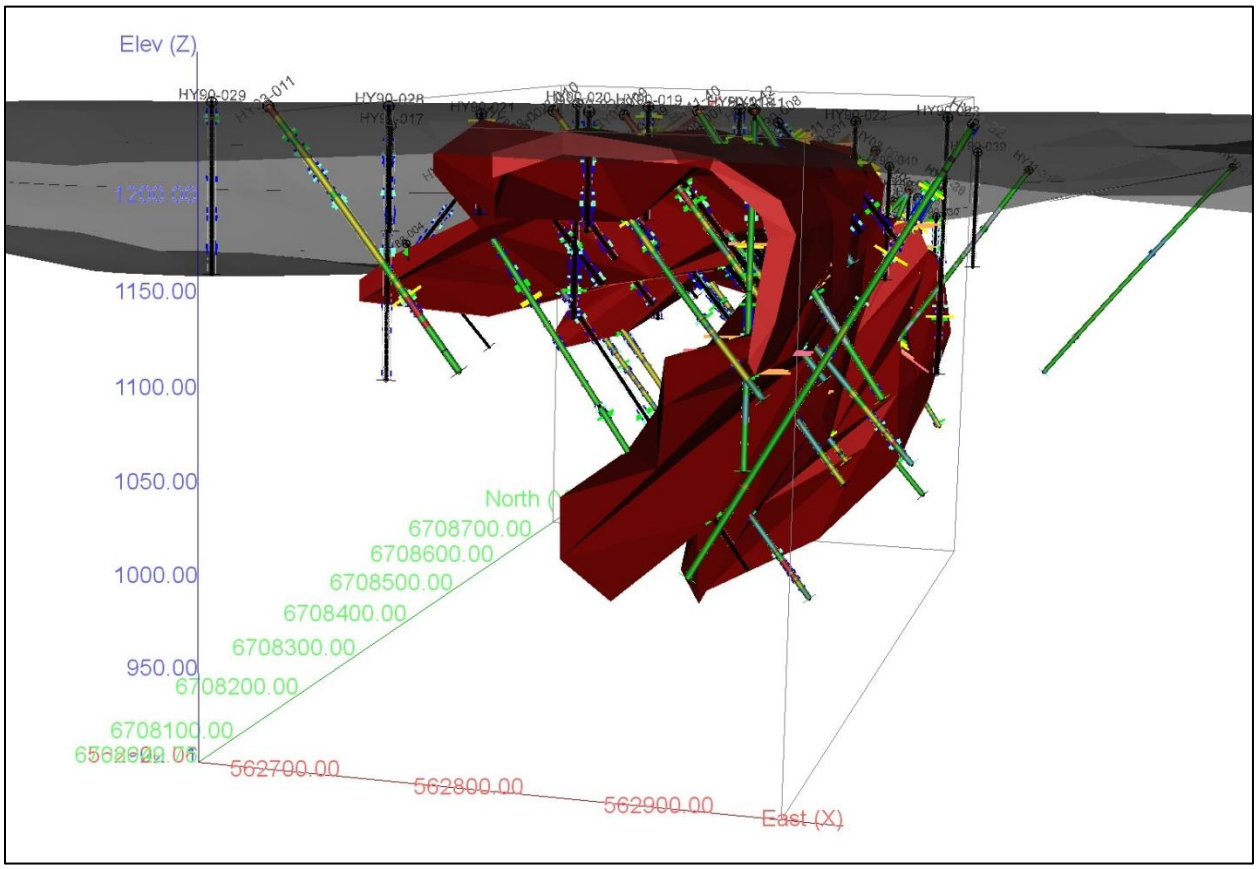
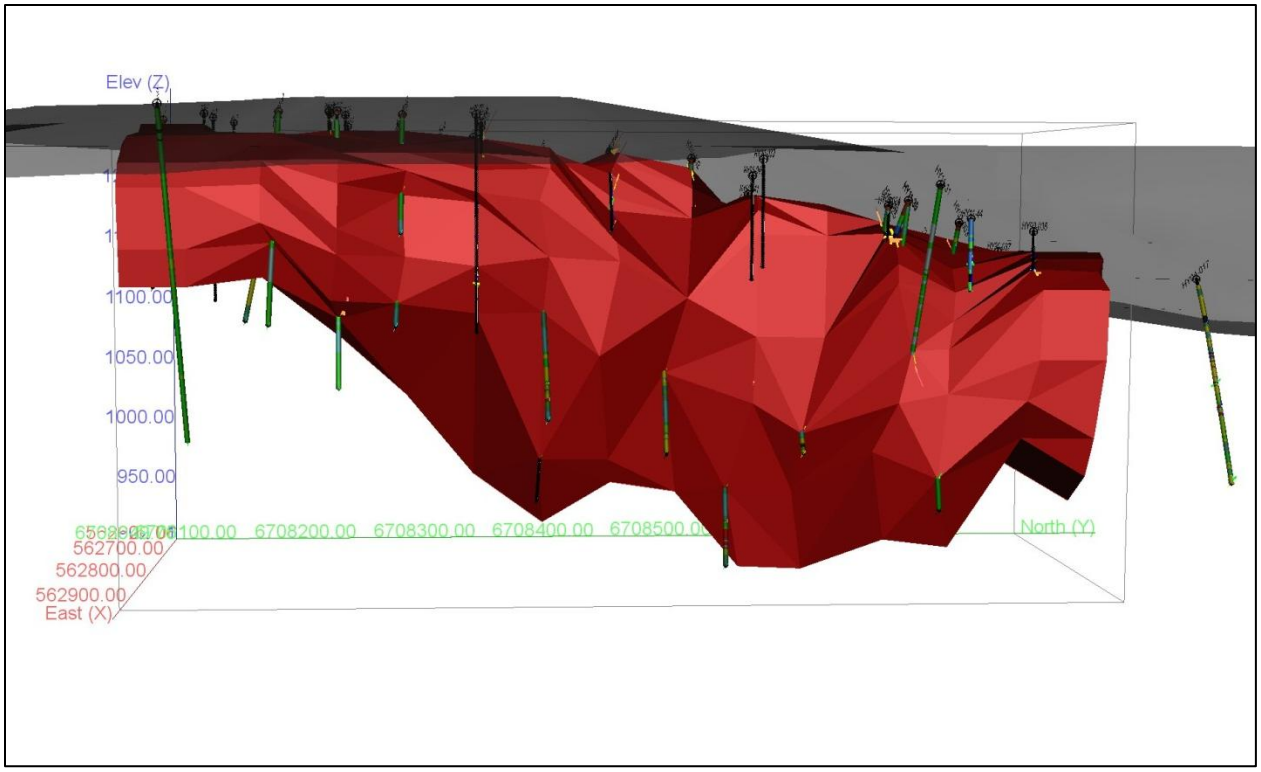


Figure 4 Isometric view looking west showing the Main Zone resource model, drill hole locations and topography



Composites

The average width of drill core samples is 1.48 metres, within a range of 0.10 metres up to 11.0 metres. Of the total assay population 81% were 1.53 metres or less, and only 5% of the assay samples were greater than 2 metres. As a result, 1.50 metre composites were used for the resource.

Composites for drill holes were generated starting from the collar of each hole and totalled 9,013. For the resource, a composite population was generated for the mineralized domain and totalled 1,332 (Table 6) from 50 drill holes which intersect the resource model. These composite values were used to interpolate grade into the resource model.

As discussed above, silver values were calculated for samples from 1988 and 1990 drill holes. Silver values were determined based on a linear regression curve defined by assay data from drill holes for which silver was analyzed. Silver values were calculated for the 1988 and 1990 samples using the formula: Silver = 4.7795 * Gold + 0.4496.

Based on a statistical analysis of the average grade of silver for all composite values from within the resource model to only those values from drill holes for which silver was analysed, the calculated silver grades had little effect on the overall average grade of silver.

Table 4 Summary of the drill hole composite data from within the Main Zone resource model.

Main Zone Composite Values *(all drill holes which intersect the resource model)*	*Au (g/t)*	*Ag (g/t)*
Number of drill holes	*50*	*50*
Number of samples	*1,332*	*1,332*
Minimum value	*0.001*	*0.01*
Maximum value	*8.52*	*158*
Mean	*0.641*	*3.8*
Median	*0.370*	*1.8*
Variance	*0.703*	*74*
Standard Deviation	*0.838*	*8.6*
Coefficient of variation	*1.31*	*2.30*
99 Percentile	*4.32*	*32.3*
Main Zone composite values (excluding 1988 and 1990 drill holes)	*Au (g/t)*	*Ag (g/t)*
Number of Drill Holes	*19*	*19*
Number of samples	*634*	*634*
Minimum value	*0.001*	*0.01*
Maximum value	*6.63*	*158*
Mean	*0.620*	*4.0*
Median	*0.345*	*1.10*
Variance	*0.792*	*139*
Standard Deviation	*0.890*	*11.8*
Coefficient of variation	*1.44*	*2.93*
99 Percentile	*4.86*	*66*

Grade Capping

Based on a statistical analysis of the composite database from the resource model (Table 4), it was decided that no capping was required on the composite populations to limit high values for gold and silver. Histograms of the data indicate a log normal distribution of the metals with very few outliers within the database. Analysis of the spatial location of these samples and the sample values proximal to them led GeoVector to believe that the high values were legitimate parts of the population and that the impact of including these high composite values uncut would be negligible to the overall resource estimate.

Specific Gravity

There was limited specific gravity (SG) data available from the Main Zone drill database. Argus had SG analysis completed on 10 mineralized samples from the 2011 drill program. The SG values ranged from 2.84 t/m^3 to 4.38 t/m^3 and averaged 3.35 t/m^3. The average gold grade of the 10 samples is 1.29 g/t. The SG database is limited and may not to be representative of the resource. It was decided that the average of the lower 50% of the SG data be used for the resource estimate. A value of 2.91 t/m^3 was accepted by GeoVector as a reasonable SG value to use for the current resource estimates. The average grade of the 5 samples is 0.60 g/t Au. It is strongly recommended that Argus begin collecting SG data during the next round of drilling.

Block Modeling

A block model was created for the Main Zone within UTM NAD83 Zone 10 space (Figure 5). Block model dimensions are listed in Table 5. Block model size was designed to reflect the spatial distribution of the raw data – i.e. the drill hole spacing within each mineralized zone. At this scale of the deposit this still provides a reasonable block size for discerning grade distribution while still being large enough not to mislead when looking at higher cut-off grade distribution within the model. The model was intersected with surface topography to exclude blocks, or portions of blocks, that extend above the bedrock surface.

The primary aim of the interpolation was to fill all the blocks within the three resource models with grade. To generate grade within the blocks inverse distance squared (ID^2) was used. Grades for gold and silver were interpolated into the blocks by the ID^2 method using a minimum of 2 and maximum of 20 composites to generate block grades in the Inferred category.

The size of the search ellipse, in the X, Y, and Z direction, used to interpolate grade into the resource blocks is based on 3D semi-variography analysis of mineralized points within the resource model. For the Main Zone resource the size of the search ellipse was set at 125 x 125 x 50 in the X, Y, Z direction. The Principal azimuth is oriented at 84º, the Principal dip is oriented at 45º and the Intermediate azimuth is oriented at 177°.

Figure 5 Isometric view looking northwest shows the Main Zone resource block model, resource model, drill holes and search ellipse.

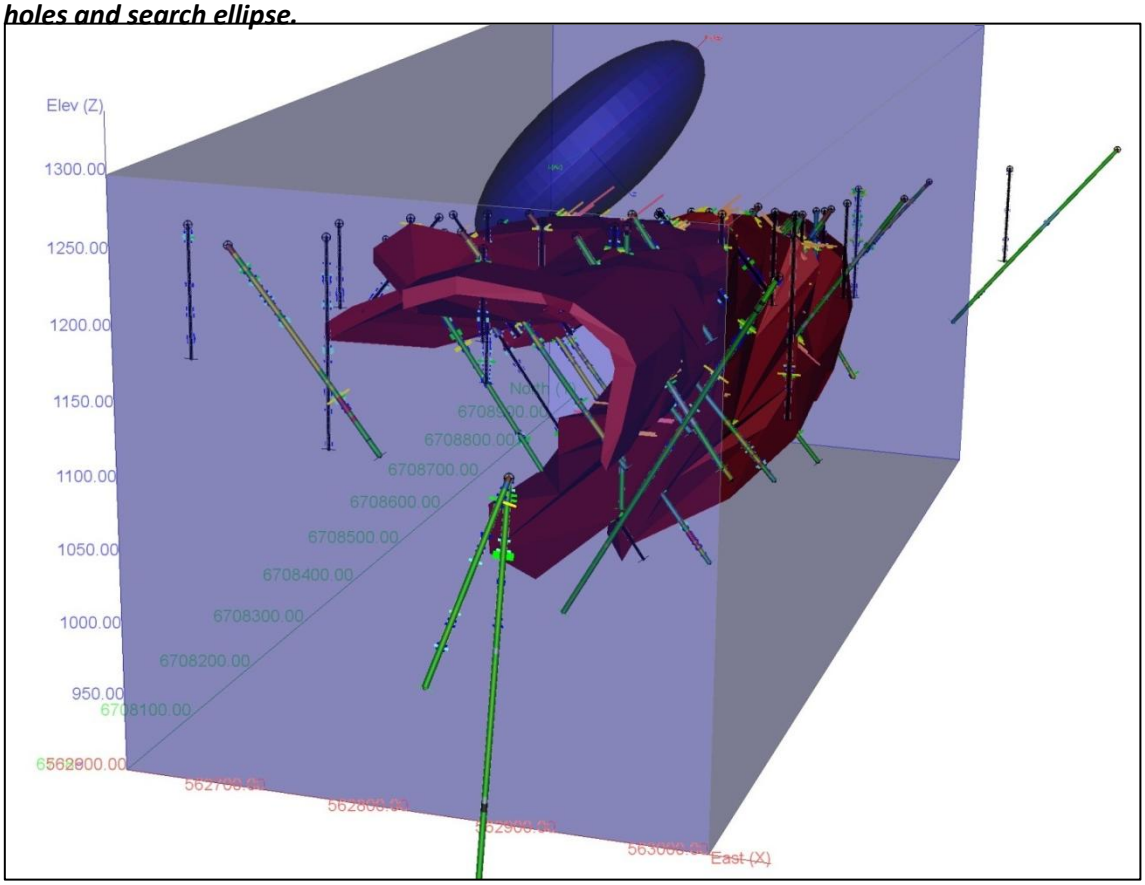


Table 5 Block model geometry and search ellipse orientation.

Block Model	*Main Zone*		
	X	*Y*	*Z*
Origin (NAD83, Zone 10)	*562600*	*6708000*	*1300*
# of Blocks	*80*	*90*	*80*
Block Size	*5*	*10*	*5*
Rotation	*0°*		
Search Type	*Ellipsoid*		
Principle Az.	*84°*		
Principle Dip	*45°*		
Intermediate Az.	*177°*		
Anisotropy X	*125*		
Anisotropy Y	*125*		
Anisotropy Z	*50*		
Min. Samples	*2*		
Max. Samples	*20*		

Model Validation

The total volume of the blocks in the resource model, at a 0 cut-off grade value compared to the volume of the resource model was essentially identical. The size of the search ellipse and the number of samples used to interpolate grade achieved the desired effect of filling the resource models and very few blocks had zero grade interpolated into them.

Because ID^2 interpolation was used, the drill hole intersection grades would be expected to show good correlation with the modelled block grades. A Visual check of block grades of gold and silver against the composite data in 3D (Figures 6 and 7) and on vertical section showed excellent correlation between block grades and drill intersections. The resource model is considered valid.

Resource Classification

The Mineral Resource estimate is classified in accordance with the CIM Definition Standards (2005). Based on the current drill database, it is considered that there is sufficient drill density and confidence in the distribution of gold and silver within the resource model to classify the Main Zone resource as Inferred. Therefore, all material in the resource estimate is classified as Inferred.

Figure 6 Isometric view looking northwest shows the Main Zone gold resource blocks.

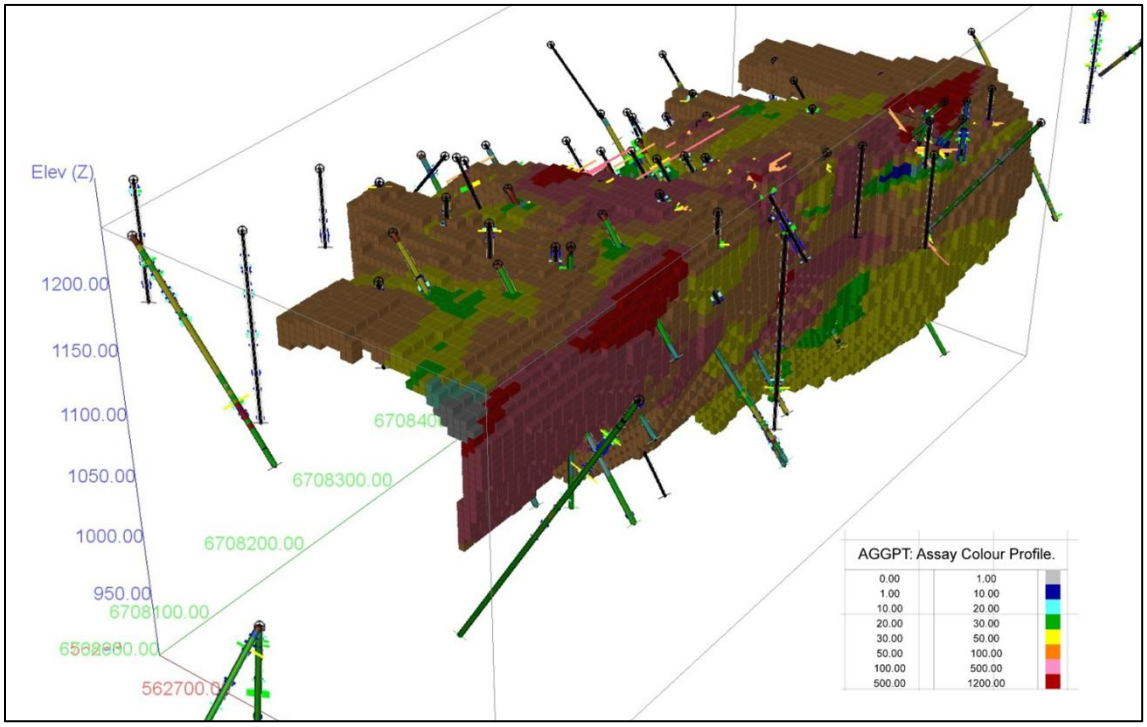
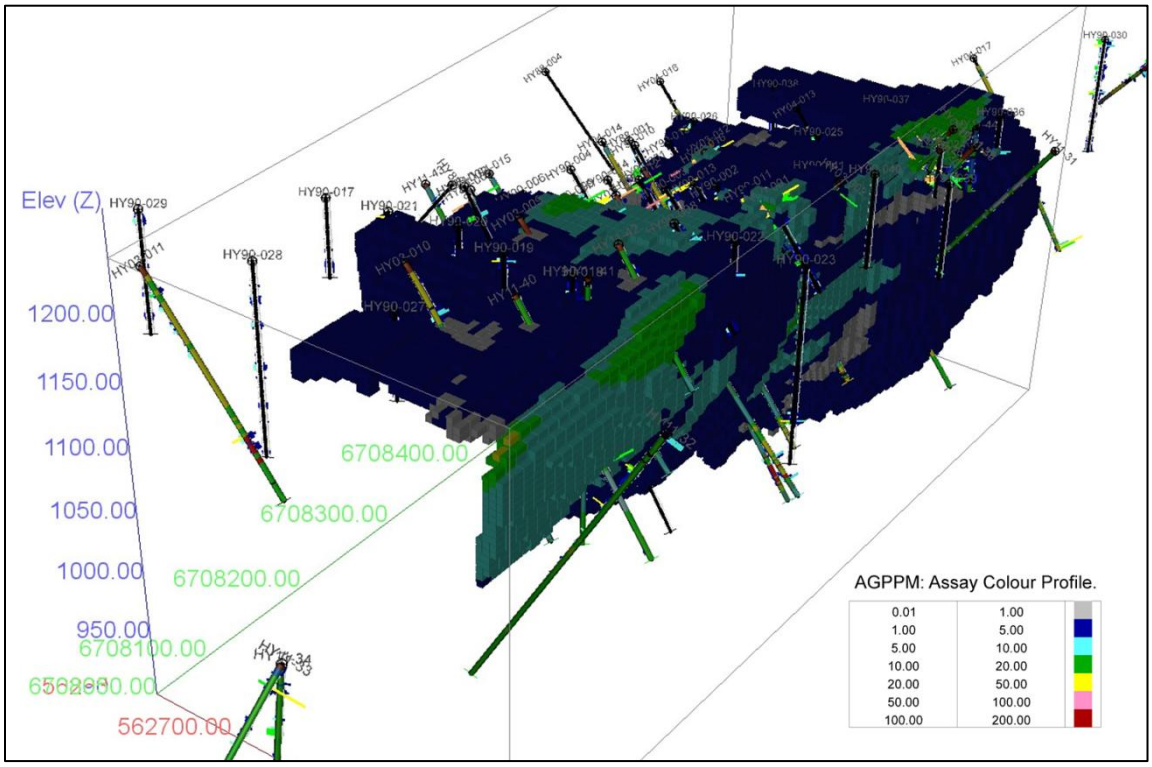


Figure 7 Isometric view looking northwest shows the Main Zone silver resource blocks.



Resource Reporting

The grade and tonnage estimates contained herein are classified as an Inferred Mineral Resource given CIM definition Standards for Mineral Resources and Mineral Reserves (2005). As such, it is understood that:

- ***An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.***

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

GeoVector has estimated a range of Inferred resources at various gold equivalent (AuEq) cut-off grades for the Main Zone (Table 6). Using a 0.6 AuEq g/t cut-off, an inferred resource of 12,503,994 tonnes containing 361,692 ounces gold at 0.9 g/t and 2,248,948 ounces silver at 5.59 g/t, equivalent to 396,468 AuEq ounces at 0.99 g/t, has been estimated.

Table 6 Resource estimate for the Main Zone

Cut-off Grade (AuEq g/t)*	*Tonnes*	*Au (g/t)*		*Ag (g/t)*		*AuEq* (g/t)*	
		Grade	*Ozs*	*Grade*	*Ozs*	*Grade*	*OZS*
<0.1 g/t	*20,560,309*	*0.69*	*456,475*	*4.3*	*2,820,087*	*0.76*	*500,069*
0.1 g/t	*20,466,502*	*0.69*	*456,324*	*4.3*	*2,818,954*	*0.76*	*499,903*
0.2 g/t	*19,972,613*	*0.71*	*454,078*	*4.4*	*2,804,570*	*0.77*	*497,443*
0.3 g/t	*18,629,311*	*0.74*	*443,813*	*4.6*	*2,740,244*	*0.81*	*486,193*
0.4 g/t	*16,820,094*	*0.79*	*425,424*	*4.8*	*2,619,911*	*0.86*	*465,946*
0.5 g/t	*14,734,230*	*0.84*	*397,785*	*5.2*	*2,453,560*	*0.92*	*435,738*
0.6 g/t	*12,503,994*	*0.90*	*361,692*	*5.6*	*2,248,948*	*0.99*	*396,468*
0.7 g/t	*9,678,679*	*0.99*	*307,098*	*6.4*	*1,988,733*	*1.09*	*337,824*
0.8 g/t	*7,038,666*	*1.10*	*248,349*	*7.3*	*1,654,686*	*1.21*	*273,942*
0.9 g/t	*5,640,692*	*1.18*	*213,897*	*7.8*	*1,420,358*	*1.30*	*235,859*
1.0 g/t	*4,476,768*	*1.27*	*182,627*	*8.0*	*1,147,077*	*1.39*	*200,356*

**** "Gold equivalent" or "AuEq" is based on silver metal content valued at 0.016 gold value using a $1016 US Au price and a $15.82US Ag price, which approximates the average prices for these metals over the last three years.***

Interpretation and Conclusions

The Hyland Project has been explored for gold and silver intermittently since the 1970's. Mineral exploration work has included large scale to focused prospecting, hand and mechanized trenching, extensive soil sampling, regional and Property wide stream sediment sampling, multiple geophysical surveys (airborne and ground based), with numerous reverse circulation and diamond drilling campaigns. This work has resulted in the discovery of the Main Zone Gold Deposit as well as a series of additional mineralized zones which are interpreted to be related to a dominant north-trending shear (Quartz Lake Lineament) and cross cutting secondary east-west structures.

More recent exploration programs conducted by Argus Metals Corp. (2010 and 2011) have concentrated on re-evaluating the geological controls on the known mineralization and have resulted in the expansion of the Main Zone gold deposit as well as the discovery of additional zones of gold mineralization (e.g. the CUZ zone). Additionally, Argus has expanded the area of the Hyland Gold Project through the staking of additional claims to the south, North, East and West of the original Hyland Gold Project. This staking was done in conjunction with the Property wide re-assessment of the mineralization potential of the Property and was designed to ensure coverage of the secondary east-west structures. A concentrated effort on prospecting, geologically mapping, stream sediment sampling and ridge-spur soil traverses were run by Argus on these newly staked claims in 2011 and will guide future mineral exploration campaigns.

The Main Zone at the Hyland Project has been calculated to host a gold inferred resource, at a 0.6 g/t gold equivalent ("AuEq") at 12,503,994 tonnes containing 361,692 ounces gold at 0.9 g/t and 2,248,948 ounces silver at 5.59 g/t. The results of diamond drilling to date show that the Main Zone is open in all directions. Historic exploration on the Main Zone was primarily focused on the near-surface oxide gold resource, Argus' drilling campaigns concentrated on delineating the deposit to depth (within the sulphide zone) as well as to the east.

Gold mineralization discovered from at CUZ Zone from the 2011 drilling program has demonstrated mineralization continuity over 800m on a West-Northwest trend and is open at both ends and down-dip. This gold mineralization has been interpreted to be distinct from the Main Zone Gold mineralization as there is a significantly lower silver component than the Main Zone. The CUZ Zone mineralization therefore may represent a secondary (cross-cutting) structurally hosted mineralized component of the Hyland Property and re-affirms Argus' interpretation that these secondary structures (and their intersections with the dominant north-south Quartz Lake Lineament) may offer important exploration targets for future work on the Property.

A compilation of the historic and 2011 soil sampling surveys conducted on the Property have resulted in 1.6 km^2 of gold-in-soils geochemical anomalies which require follow-up exploration including trenching and geological mapping to define the underlying source of the gold. Continued exploration across the property is encouraged as there is high potential to discover additional mineralized veins and structures.

Recommendations

The Main Zone Gold Deposit has been significantly increased from its historic Non- N.I. 43-101 resource and the deposit model remains open to depth as well as to the North and East.

A Phase I exploration program including a detailed structural study should be executed to define the relationships between the North trending structures and the east-west structures, and in specific locate all known and potential intersections. Soil geochemical surveys should be undertaken in the southern "Hyland Extension" to follow up upon and extend the gold-in-soils anomalies defined from the 2011 geochemical surveys. Mechanized trenching and geological mapping should be undertaken on historic soil anomalies that surround the Main Zone Deposit. Local Community relations and First Nations consultations should be initiated before and during this phase of exploration

Based on results from the Phase I program a Phase II exploration campaign consisting of a comprehensive diamond drilling should focus on the expansion and upgrading of the Main Zone Resource with a focus on the north, and east extensions and to depth beneath the deposit. The infrastructure to support such a drilling campaign (35 holes totaling 5,000 metres) is in place on-site, in the form of the Quartz Lake Exploration camp and the road and trail network. Additional priority drill targets include the CUZ zone to the south and the LMS target north of the Main Zone. Baseline environmental studies should be undertaken and community consultation advanced as the project grown in size.

Based on results of the district geochemical compilation program and the subsequent 2011 regional geochemical program, it is recommended that the Company augment its current mineral claim position to ensure that the full extents of the mineralizing system, and the projections thereof, are adequately covered with mineral claims.

Table 5 presents a recommended budget to execute the two-Phase gold exploration Programs on the Hyland Gold Project.

Table 5 Recommended Budget

Phase I		
Work Description	**Time and Per Day Cost**	**Cost**
Mobilization/Demobilization/Travel Related		$17,000
Camp Opening		$6,000
Project Manager	30 days @ $700 per day	$24,500
Geologist	20 days @ $600 per day	$15,000
Junior Geologists	40 days @ $800 per day	$40,000
Cook/First Aid	20 days @ $350 per day	$8,000
Camp Man/ Equipment Operator	20 days @ $400 per day	$10,000
Caterpillar	40 hours @ $100 per hour	$5,000
Geochemical Analysis	1000 @ $30 per sample	$42,000
Fuel	30 barrels @$300 per barrel	$9,000

Work Description	Time and Per Day Cost	Cost
Fixed Wing Support	10 flights @$850 per flight	$8,500
Freight/Expediting		$10000
Communications		$5,000
		Phase I Total - $200,000
Phase II		
Mobilization/Demobilization/Travel Related		$60,000
Camp Opening		$8,000
Project Manager	80 days @ $700 per day	$56,000
Work Description	**Time and Per Day Cost**	**Cost**
Geologist	45 days @ $600 per day	$27,000
Junior Geologists	100 days @ $400 per day	$40,000
Samplers	200 days @ $300 per day	$60,000
Cook/First Aid	80 days @ $350 per day	$28,000
Camp Man/ Equipment Operator	80 days @ $400 per day	$32,000
Caterpillar	250 hours @ $100 per hour	$25,000
Excavator	200 hours @ $100 per hour	$20,000
Diamond Drilling	7000m @ $150 per m	$1,050,000
Geochemical Analysis	4000 @ $30 per sample	$120,000
Fuel	150 barrels @$300 per barrel	$45,000
Fixed Wing Support	30 flights @$850 per flight	$25,500
Claim Staking		$35,000

Work Description	Time and Per Day Cost	Cost
Baseline Environmental Surveys/Studies		$40,000
Freight/Expediting		$20,000
Communications		$10,000
First Nations Consultations		$10,000
Resource Evaluation		$30,000
Contingency		$58,500
		Phase II Total - $1,800,000
		TOTAL PHASES I + II - $2,000,000

2013 Work Program

During the late summer and early fall of 2013, the Corporation conducted a conincident soil/rock geochemical sampling program designed to follow-up on 6 discreet, high-priority regional geochemical soil samples collected in 2011. A total of 419 total samples (376 soils and 43 rocks) were collected and analyzed. Highlights from the soil sampling program included:

- Gold (Au)-in-soils results ranging from trace to 0.191 g/t Au with a mean of 0.016 g/t Au.
- Arsenic (As)-in-soils results ranging from trace to 597.3g/t As with a mean of 33.65 g/t As.
- Silver (Ag)-in-soils results ranging from trace to 2.9g/t Ag with a mean of 0.16 g/t Ag.

*Anomalous gold-in-soils samples are considered >0.025 g/t Au in the Hyland Project area as determined through statistical analyses of the >10,000 historic soils from the property database.

In summary, the 2013 Hyland mineral exploration program culminated in the discovery of the Montrose Ridge Zone on the South Hyland Property, 6.5km south of the Hyland Main Zone) and coincident with the identified >12 km long Quartz Lake Structure which is interpreted to control gold mineralization identified on the Hyland Project.

Risk Factors

Limited Operating History

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on July 26, 2010 and has yet to generate a profit from its activities. The Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Issuer anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Issuer's resource base.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Issuer's current and planned exploration program and potential mining operations will be required. No assurances can be given that the Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations, mineral prices, environmental rehabilitation or restitution. Revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such finding requirements, the Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Issuer's control including, commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Regulatory Requirements

The current or future operations of the issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Issuer has limited financial resources. If the Issuer's exploration programs on the Property are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Issuer's shareholders.

Requirement for Permits and Licenses

A substantial number of additional permits and licenses may be required should the Issuer proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes

in regulations and in various operational circumstances. It is uncertain whether the Issuer will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Issuer is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects.

Mineral Reserves or Mineral Resources

Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Licenses and Permits

The activities of the Issuer are subject to provincial and federal approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Issuer believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Issuer. Further, the licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Conflicts of Interest

Certain of the directors and officers of the Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Issuer may become subject to conflicts of interest. The ABCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Issuer's results of operations and financial condition and could cause a decline in the value of the Issuer Share. The Issuer does not intend to maintain insurance against environmental risks.

Litigation

The Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Issuer has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Issuer will be made by its board of directors on the basis of the Issuer's earnings, financial requirements and other conditions.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not paid and dividends on its common shares since its incorporation. Any decision to pay dividends on common shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

General

The Corporation is authorized to issue an unlimited number of Common Shares, Class "B" Common Shares and Preferred Shares, of which, as at the date hereof, 14,484,000 Common Shares are issued and outstanding as fully paid and non-assessable. There are currently no Class “B” Common or Preferred shares issued. 10% of the issued and outstanding Common Shares from time to time are reserved under the incentive stock option plan of the Corporation of which 333,400 have currently been issued. At total of 2,500,000 common share purchase warrants are outstanding with and exercise price of $0.15 until February 14, 2014 and a further 1,000,000 are outstanding with an exercise price of $0.15 until March 1, 2014.

Common Shares

The holders of Common Shares shall be entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the shareholders of the Corporation and upon liquidation, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to share on a pro rata basis according to the number of Common Shares held, the remaining property of the Corporation. All of the Common Shares to be issued and outstanding upon completion of the Offering will be issued as fully paid and non-assessable.

Class "B" Common Shares

The holders of Class "B" Common shares shall be entitled to dividends if, as and when declared by the directors and upon liquidation, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to share on a pro-rata basis according to the number of Common Shares and Class "B" Common shares held, the remaining property of the Corporation. The holders of Class "B" Common shares are not entitled to receive notice or, attend or vote at any meetings of the shareholders of the Corporation.

Preferred Shares

Holders of Preferred Shares are entitled to a priority over the Common Shares and Class "B" Common Shares with respect to the distribution of assets (up to a sum equivalent to the redemption price plus all declared but unpaid dividends on such Preferred Shares) upon the liquidation of the Corporation.

MARKET FOR SECURITIES

Price Range and Trading Volume of Common Shares

The common shares of the Corporation are listed and posted for trading on the TSX Venture Exchange under the symbol "BYN". The following table sets forth the market price range and trading volumes of the Corporation's common shares on the TSXV for the most recently completed financial year.

Period	Trading Volume	High (C$)	Low (C$)
October 2012	0	0.060	0.060
November 2012	0	0.060	0.060
December 2012	0	0.060	0.060
January 2013	0	0.060	0.060
February 2013	152,800	0.090	0.060
March 2013	442,000	0.065	0.040
April 2013	54,798	0.075	0.050
May 2013	53,500	0.055	0.040
June 2013	289,531	0.050	0.035
July 2013	216,621	0.035	0.025
August 2013	105,467	0.040	0.025
September 2013	153,355	0.060	0.035

ESCROWED SECURITIES

1,000,500 common shares are currently held in escrow per the founders TSX Escrow agreement (found on www.sedar.com) and are released at the rate of 200,100 shares every six months.

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	1,000,500	6.9%

DIRECTORS AND OFFICERS

Name, Position with the Corporation and Residence	Director Since	Principal Occupation	Common Shares Beneficially Owned or Controlled
Richmond Graham[2] President, Chief Executive Officer, and Director Regina, Saskatchewan, Canada	Since July 2010	Mr. Graham has been the President, CEO, and a Director of Banyan Gold Corp since it was formed in 2010 and Vice President of Distinct Resources Corp since 2008. Between 2008 and 2010 he was Vice President, Corporate Development and Operations of Landis Energy Corporation and, after Landis was sold to AltaGas in 2010, he was Vice President Engineering and Operations at AltaGas until 2013. Between 2000 and 2008 Mr. Graham was Executive Director of TransGas Limited. Mr. Graham sits on the Board of Directors of private oil and technology companies and Moss Lake Gold Mines (TSXV:MOK).	803,000
Mark Ayranto[1] [2] Director and Chairman of the Board North Vancouver, British Columbia, Canada	Since July 2010	Since 2009 Mr. Ayranto has been a Vice President with Victoria Gold Corp. Previously, Mr. Ayranto was the Vice President, Corporate Development for StrataGold Corporation. Mr. Ayranto sits on the Yukon Mineral Advisory Board.	410,500
Jay Collins British Columbia, Canada	Since June 2013	Mr. Collins is President of Merit Consultants International Inc., a project and construction management company to the mining industry. Mr. Collins sits on the Board of Directors for Nevada Copper Corp. since September 2012. He served on the Board of Directors for Selwyn Resources from September	1,614,000

Name, Position with the Corporation and Residence	Director Since	Principal Occupation	Common Shares Beneficially Owned or Controlled
		2012 to April 2013	
Tara Christie[(1)] Yukon, Canada	June 2013	Ms. Christie has been President of privately owned Gimlex Gold Mines Ltd. since 2006 and has been a member of the Board of Directors of Constantine Metal Resources Ltd. since July 2006.	105,527
Gregory Melchior[(1) (2)] Ontario, Canada	June 2013	Mr Melchior is co-founder of CanUrsa Finance inc., a consulting client driven finance company that specializes in real estate, resources and infrastructure. Mr Melchior is the President and CEO of CanUrsa Finance which was founded on Aug 1, 2013.	Nil
David Rutt Chief Financial Officer and Corporate Secretary Calgary Alberta	n/a	Since September 2006, Mr. Rutt has been a self-employed management consultant. Between July 2010 and present he has been CFO of Banyan and between September 2011 and present he has been CFO of Stratus Aeronautics Inc, a privately held Unmanned Aerial Vehicle company. Between April 2009 and March 2010 he was acting CFO of Landis Energy Corp.	567,000

(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.

Collectively, the Board and Senior Officers beneficially owned or controlled 3,500,027 common shares or 24.2% of the issued and outstanding common shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Within the last 10 years before the date of Annual Information Form, no directors or executive officers of the Corporation was a director or executive officer of any company acted in that capacity for a company that was:

a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;

b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;

c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Except as noted below:

On April 7, 2010, Blue Cove Capital Corp. ("Blue Cove"), a CPC, was suspended by the TSX Venture for failing to complete a Qualifying Transaction within the required 24 month period. Trading of the company's shares was reinstated on July 6, 2010 upon the company being transferred to NEX. Mr. Rutt was the President and a Director of Blue Cove, subsequently renamed CuOro Resources Corp., from November 2007 to June 2010.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

PROMOTER

During the past 2 fiscal years, no one individual may be considered a promoter of the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Banyan is not aware of any legal proceedings to which the Corporation is or was a party or of which any of its property is or was the subject of, during the fiscal year ended September 30, 2013, nor are any such proceedings known to the Corporation to be contemplated.

There were no penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, during the financial year ended September 30, 2013, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Corporation, and the Corporation did not enter into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Banyan Gold's material transaction to date has been the acquisition of the Hyland Gold Property Option from Argus Metals. Victoria Gold Corporation, through its subsidiary StrataGold Corp, held the Hyland Gold properties that were optioned to Argus Metals. The acquisition required the transfer of the Hyland Gold property option to Banyan Gold, an extension to the date for fulfilling all terms of the option, and a revision to ensure that Banyan Gold shares would be issued to Victoria Gold rather than Argus Metals shares for the final share payment to complete the option. Mr. Mark Ayranto is an officer of Victoria Gold and a Director of Banyan Gold Corp. Mr. Ayranto did not meaningfully participate in negotiations between Banyan and Victoria in relation to the foregoing above, nor did he vote on any of the related matters.

TRANSFER AGENTS AND REGISTRARS

Valiant Trust Company, through its principal offices at 310, 606-4th St. S.W. Calgary, Alberta, T2P 1TI, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. The Assignment and Transfer Agreement dated October 4, 2012 between the Corporation and Argus Metals Corporation("Argus") to acquire a 100% interest in Hyland Gold Property (the "Hyland Property") in the Watson Lake Mining District of the south eastern Yukon Territory, Canada.

At Closing, the Issuer would acquire all of the Vendor's right, title and interest in and to the Property and the Interests pursuant to the Assignment and Transfer Agreement, and in consideration for the Property and the Interests, the Issuer agreed to the following:

(d) payment of $15,000 in cash (paid upon execution of the Letter of Intent);

(e) payment of $20,000 in cash at Closing; and

(f) delivery of 4,000,000 Banyan Shares at Closing.

The Issuer has also agreed to assume Argus's obligations under the Underlying Option Agreement. Specifically under such Underlying Option Agreement, the Issuer is obligated to pay $100,000 and deliver 300,000 Argus common shares to Stratagold Corporation on or prior to the earlier of February 15, 2013 or fifteen days following Closing. In addition, the Vendor will be bound, in respect of the Option Claims and the AMI Claims, by a 2.5% capped net smelter return royalty ("NSR") in favour of Victoria Gold Corp., less existing underlying royalties, with a provisional buyback of 1.5% for $1,000,000. These claims are also subject to a 1% and 0.25% NSR on all core claims payable to Cash Minerals Ltd. and Strategic Metals Ltd., respectively. Additionally, there is a 1% NSR on 88 of the claims payable to Adrian Resources Ltd. that is capped at $1.5 million.

All Payments to Argus and underlying payments to Stratagold Corporation have been met while the Corporation continues to be bound by underlying NSR's.

2. The Escrow Agreement dated as of November 23, 2010 among the Corporation, Valiant Trust Company and certain shareholders of the Corporation. See www.sedar.com.

3. A Registrar and Transfer Agent and Dividend Distributing Agent Agreement dated as of August 18, 2010, between the Corporation and Valiant Trust Company. See "Transfer Agents and Registrars".

INTEREST OF EXPERTS

The following persons and companies have been named (a) as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 "Continuous Disclosure Obligations" by Banyan during, or relating to, Banyan's most recently completed financial year; and (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

Name	***Description***
John J. Geib, Chartered Accountant, Calgary Alberta	Provided the audit report dated December 20, 2013 on the balance sheets of Banyan as at September 30, 2013 and September 30, 2012, and the consolidated statements of loss and comprehensive loss and deficit and cash flows for each for the years in the two-year period ended September 30, 2013.
Allan Armitage Ph.D., P.Geol., ("Armitage") of GeoVector Management Inc. ("GeoVector"), and Paul D Gray, B.Sc., P. Geo of Paul D.Gray Geological Consulting	Calculated the 2013 NI 43-101 compliant mineral resource and co—authored the technical report in respect to the Hyland Gold Project

Interest of Experts

The auditors of Banyan are John J. Geib, Chartered Accountant of Calgary, Alberta. John J. Geib Chartered Accountant, herby confirm that they are independent with respect to Banyan within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

The independent author of the Company's NI43-101 report, Allan Armitage of GeoVector Management neither personally or corporately owned any shares of Banyan at the time of the report. No employee, officer or director of GeoVector Management is expected to be elected, appointed, or employed as a director, officer or employee of the Corporation.

Paul D. Gray of Paul D. Gray Geological Consulting was employed by the vendor at the time of the report and owned 29,975 shares in the corporation and was subsequently hired by Banyan as an officer due to his expertise on the property. He currently owns 34,975 shares in the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com as well as a the Corporations web site at www.banyangold.com

Additional information, including director's and officer's remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's information circular for its most recent annual general meeting of security holders that involved the election of directors.

Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial period, being the year ended September 30, 2013.

SCHEDULE A

BANYAN GOLD CORP.
(the "Corporation")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Corporation's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(b) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance — Roles & Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

(a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;

(b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Corporation's financial and operating controls are functioning effectively;

(vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

(a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.